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The Home Indemnity Company, an affiliate, writes  
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The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

THURSDAY, JANUARY 20, 1955

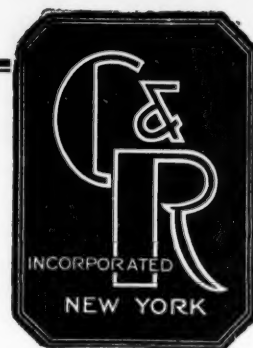
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Multiple Line  
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**American Equitable Assurance Company  
of New York**

*Organized 1918*

**Globe & Republic Insurance Company of America**

*Established 1862*

**Merchants and Manufacturers Insurance Company  
of New York**

*Organized 1849*

**New York Fire Insurance Company**

*Incorporated 1832*

**CORROON & REYNOLDS, INC.**  
MANAGER

92 William Street, New York 38, N. Y.

*Losses paid exceed Three Hundred Fifty Million Dollars*

# REINSURANCE

**FIRE and  
ALLIED LINES**



**PRO-RATA and  
EXCESS of LOSS**

**INTER-OCEAN REINSURANCE  
COMPANY**

CEDAR RAPIDS, IOWA



## Eastern Insurers Elect Top Officials

### Lafrentz Chairman, McKell President of American Surety

American Surety and Surety Fire have elected Arthur F. Lafrentz chairman of both companies and William E. McKell president. Mr. Lafrentz has been president, and Mr. McKell 1st vice-president. Charles H. Hall, vice-president and secretary, was elected 1st vice-president of both companies.

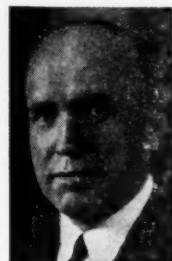
Albert H. Russell, vice-president, was also elected secretary and C. C. Maher vice-president.

Mr. Lafrentz, a certified public accountant, was appointed deputy comptroller of American Surety in 1913, and has been president since 1932. He is also president of Canadian Surety and Compania Mexicana de Garantias, S. A., both subsidiaries of American Surety and is a director of Guardian Life.

Mr. McKell joined American Surety in 1909 at Salt Lake City. In 1912 he was appointed manager of several western states. He transferred to the home office in New York as



A. F. Lafrentz



W. E. McKell



A. H. Russell

vice-president in 1926, and was elected 1st vice-president in 1945. He was a member of the Utah house for four



C. H. Hall



C. C. Maher

years and speaker of the house for two years. He is a director of Canadian Surety and Cia Mexicana de Garantias.

Mr. Hall joined the company in 1923. He has had assignments in un-

(CONTINUED ON PAGE 29)

### Phillips Replaces Davis for U. S. F. & G., Matthai Chairman

Charles L. Phillips, since 1939 executive vice-president of U.S.F.&G., has been elected president to succeed E. Asbury Davis. Mr. Davis, who asked to be relieved of further responsibility because of the state of his health, becomes president emeritus.

Joseph F. Matthai was advanced from executive vice-president to chairman, succeeding R. Howard Bland who asked to be relieved from some of his duties and was elected vice-chairman.

Directors declared a stock dividend of 20%, at the rate of one share for each five shares held, payable April 15 to stock of record March 16, also the record date for the regular quarterly dividend of 50 cents. In lieu of issuance of fractional shares, cash will be paid, derived from sale of the aggregate of all fractional shares.

The stock dividend is the fourth declared by the company. In 1950, when capital was \$10 million, a 10% dividend was declared and at the same time 300,000 new shares of \$10 par value were sold at \$40 each, increasing capital to \$14 million. Again in 1953 and 1954 10% stock dividends were declared. The new stock dividend will

(CONTINUED ON PAGE 29)



Charles L. Phillips

### Barry Heads C.&R., Wilde and Others Get Higher Posts

NEW YORK—John R. Barry has been elected to succeed the late William J. Reynolds as president of American Equitable, New York Fire and Globe & Republic, and chairman of Merchants & Manufacturers. Reginald R. Wilde, vice-president, succeeds Mr. Barry as executive vice-president of the four companies.

Richard A. Corroon Jr. was elected vice-president of the Corroon & Reynolds companies. He devotes his attentions principally to investments.

John M. Owen, who has been secretary and is in charge of the eastern department, and Fred K. Loflink, who has been secretary in charge of the western department, was elected vice-president of the company.

John A. Corroon, assistant manager



Reginald R. Wilde



John R. Barry

of the New York suburban division, was elected a director and secretary of each of the four insurers.

Richard A. Nelson, who was vice-president in the financial department,

(CONTINUED ON PAGE 29)

## N. Y. High Court Turns Down Rate Bureau in N. A. Case

### Denies Stay of Rates and Declines to Review N. Y. Department Decision

The court of appeals, New York state's highest court, has denied the motion of New York Fire Insurance Rating Org. for a stay in the effective date of North America's 10% reduction in dwelling classes and also a motion to review and reverse the decision of the state insurance department in the North America case. Joseph F. Murphy, deputy superintendent, had held after a hearing that North America is entitled to subscribe partially to NYFIRO's services and to the use of NYFIRO's rating schedules.

In the meantime the department's hearing of NYFIRO's charges that Allstate, which is using rates 20% off those of NYFIRO on dwelling classes, is charging illegal rates unsupported by proper data, has been postponed to Jan. 27.

The New York high court in its action in the North America case thus upheld the appellate division, which had declined to review the Murphy decision. It had granted a temporary stay, but with its decision on the motion to reverse Murphy, the stay had been dissolved.

North America has been selling dwelling coverages at 10% off NYFIRO rates for several weeks.

Mr. Murphy confined the issues in the hearing he conducted to partial subscribership and use of NYFIRO rates. NYFIRO has sought to get a determination, at the administrative hearing level and in court, of the issue of adequacy, and it is also asking for a determination of the question of unfair trade practices in the Allstate case.

## Pittsburgh I-Day Set for March 8

Pittsburgh's annual I-Day will be held March 8 at Hotel William Penn. J. E. Hartman, Irwin, Pa., local agent, is general chairman of the all-day affair.

### Agents Head Tennessee Insurance Committees

Brooks Eslick of the Eslick & Abernathy agency, Pulaski, who is serving his third term in the Tennessee legislature, has been named chairman of the senate insurance committee. Eugene Collins, local agent at Chattanooga, heads the house committee.

Some of the preferred stock of Crum & Forster is being retired, with the call on the entire issue of 7% cumulative preferred of Crum & Forster Securities Corp. at \$110 a share. The call date is Jan. 28. This transaction amounts to more than \$2 million.

## Late News Bulletins ...

(NEWS HIGHLIGHTS ARE ON PAGE 4)

### Phoenix to Absorb Three Insurers

Central States Fire of Wichita, Atlantic Fire of Raleigh and Great Eastern Fire of White Plains, N. Y., are to be merged with the parent Phoenix of Hartford because capital of the three is inadequate to qualify for multiple line underwriting. Agency service of the three will continue to be performed by their respective offices, and agents are being encouraged to continue representation in other members of the Phoenix group.

Stockholders of the three have to act on the proposal. Phoenix owns 99% of Central States, 97.9% of Atlantic and 82% of Great Eastern.

### Reduce Fire and EC Rates in Florida

Revised Florida rating schedules for fire and EC on residential properties and some other classes, which will result in an estimated premium reduction of \$4,067,109, have been approved by Commissioner Larson. The schedules were filed by the Florida Inspection & Rating Bureau.

### Discontinues Free Binocular Insurance

A bulletin to Bosch & Lomb dealers by that company dated Jan. 12 announces that, as a result of a ruling by the New York insurance department, Bosch & Lomb is discontinuing its offer of free insurance with each purchase of a new Bosch & Lomb binocular.

The insurance department ruling was that while the binocular purchaser who desired the insurance could receive it at no extra cost, the purchaser who

(CONTINUED ON PAGE 32)

## Insurance and Reinsurance

World-Wide Facilities

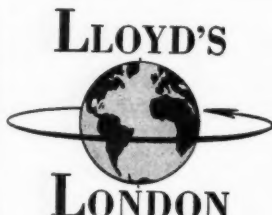
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CASUALTY  
AVIATION  
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Protect your clients by recommending our services  
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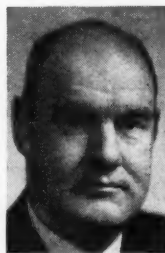
## The North American Accident Insurance Co.

209 South La Salle Street

Chicago 4, Illinois

## America Fore's Handsome, Comfortable Home Office Shown to the Business

NEW YORK—Hundreds of persons prominent in the insurance business here, in Newark, Philadelphia, Baltimore, Hartford, Boston and elsewhere, attended the formal opening of America Fore's magnificently modernized home office at 80 Maiden Lane here.



J. Victor Herd



F. A. Christensen

They were greeted by a receiving line headed by Frank A. Christensen, president, and J. Victor Herd, executive vice-president, and including the top officers of the company.

America Fore personnel proudly displayed the gleaming architectural achievement of the 26 floors. Both management, in the board room and offices, and the employees, in beautiful and comfortable cafeterias, recreation rooms, and fine working areas have done well for themselves. In addition to guided tours, there were hors d'oeuvres and cocktails.

As one visitor commented, Mr. Christensen and his associates have made all of the other offices in the insurance district look pretty shabby.

The structure at 80 Maiden Lane was begun in 1911 and occupied in 1912. From that time to 1950, fixtures and furniture remained substantially the same, the lighting, furniture and office arrangements became outmoded. As the group grew and extended, bottlenecks and confusion developed, aggravated by crowded working conditions. In some instances, departments closely allied were widely separated which resulted in a loss of efficiency.

As Frank Ennis and his associates tell the story in a special issue of the America Fore Bulletin, the modernization represents the largest project of its kind in the U. S. It was accomplished in four years without any serious interruptions to the regular operation of the business. In fact, the organization experienced normal growth and expansion during this period.

Virtually every aspect of the refurbishing was conceived for office efficiency, economy of operation and employee comfort.

Management explored the possibility of constructing a new building in another location, but after careful consideration of all factors, decided against moving elsewhere. The present building—though more than 40 years old—is substantially built and in excellent structural condition. Hence, the decision to modernize was reached.

A basic philosophy behind the modernization was one of employee relations. The America Fore management sought to provide employees with an up-to-date office building and a comfortable and pleasant atmosphere in which to work, plus the fundamental consideration of operating efficiency and economy.

The building is completely air conditioned by the Carrier weathermaster

system. Representing 1350 tons of refrigeration capacity and two turbine driven compressors, it provides both heating and air conditioning, insuring exact balancing of exposures and desired temperatures within the building during the summer and winter months.

This is the largest building in New York ever to be fully air conditioned as an over-all project after its construction. Space for the refrigeration machines was obtained by the removal of heating boilers, which were fired by coal since the building opened.

The conduit system is so designed that there is an almost complete absence of mechanical equipment on the floors, thereby conserving as much space as possible for office use. The fan rooms are concentrated on the top floor and in the basement, while the interior system fan rooms are located in the basement and on the third, 18th and 25th floors.

In the weathermaster system, outside air is cleaned, filtered, and dehumidified in a central apparatus. This primary air is sent through small-sized air conduits, and chilled water from the central refrigeration plant travels through water pipes, both concealed in the units beneath all the windows.

Both the heating and cooling operation are powered by steam from the New York Steam Corp. It is interesting to note that Continental, one of the five companies comprising the America Fore group, was one of the first customers of New York Steam 73 years ago, when the insurer was located at 100 Broadway.

Steam is piped into the building at 125 to 150 pounds pressure and used

(CONTINUED ON PAGE 30)

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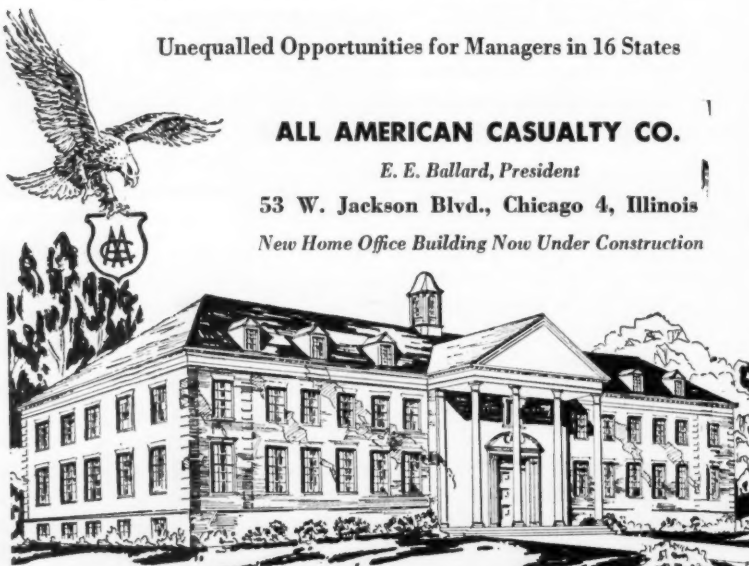
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**ALL AMERICAN CASUALTY CO.**

E. E. Ballard, President

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New Home Office Building Now Under Construction



**Layton to Retire  
 as Chairman of  
 National of Conn.**

At a meeting of National Fire, F.D. Layton expressed his desire not to stand for reelection as chairman Feb. 21, when the directors will meet following the annual meeting of stockholders.

He will relinquish the chairmanship but will continue as a director of the companies in the group and will be available for consultation.

His retirement from active management of the group's affairs marks the completion of 45 years of dedication to and constructive effort for National of Hartford group and the fire insurance business, where he has held most of the important positions.

In 1908 he became a full-time senior field man of the National, having previously served as a part-time field man in New York and New England while still in the local agency business. In 1910, he was elected an officer. He was president 1928-48 and has been chairman for six years.

He served two terms as president of National Board after terms as chairman of the public relations committee and of the executive committee. He served for many years as a director of Underwriters Laboratories and of General Adjustment Bureau. He was chairman of the organizing committee which

(CONTINUED ON PAGE 28)

**Gammage Brothers  
 Named to Top Posts  
 of Pan American**

Earl W. Gammage has been advanced to president and chairman and his brother, T. Earnest Gammage Jr., has been named executive vice-presi-



Earl W. Gammage



T. E. Gammage Jr.

dent of Pan American Fire & Casualty and Pan American Ins. Co., both of Houston. Earl Gammage succeeds his late father, T. E. Gammage Sr., with whom he was associated in organization of the company in 1939.

The Gammage brothers, who have been vice-presidents of the two companies, took over active management during the long illness of their father. Both are lawyers.

The Pan American companies wrote more than \$3.5 million in premiums in 1954 and have expanded their facilities to include fire and allied lines in addition to auto and casualty coverages. Earl Gammage described 1954 as the most profitable year for the companies.

**Highlights of  
 the Week's News**

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 New York speakers bureau has classes in speech and insurance topics . . . Page 7  
 Ten insurers receive citations for excellent management from American Institute of Management . . . Page 10  
 Arthur Goedwaagen urges agents to avoid technical explanation of dwelling policies . . . Page 10  
 Hartford Accident advances F. P. Handley and H. V. Williams to vice-presidents . . . Page 22  
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 Gammage brothers named to top posts of Pan American . . . Page 4  
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 Charles L. Phillips succeeds E. A. Davis as U.S.F.&G. president; J. F. Matthal named chairman . . . Page 1  
 John R. Barry is new president of Corroon & Reynolds companies . . . Page 1  
 New York high court turns down New York Fire Insurance Rating Org. motion in North America case . . . Page 1  
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 Phoenix of London group office at Chicago made western department . . . Page 5  
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 Hanover Fire proposes to issue more stock and to write casualty . . . Page 9  
 Council of educators is organized to guide CLU, CPCU studies . . . Page 23  
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 Aero Associates is purchased by Zurich . . . Page 3  
 New Jersey enacts law permitting inclusion of other insurances in a fire policy . . . Page 3  
 North Dakota commissioner's resolute stand thwarts expansion of Saskatchewan Guarantee & Fidelity . . . Page 25

**Hill New Chief of  
 St. Louis Board**

St. Louis Insurance Board at its annual meeting elected J. Boyd Hill of the J. E. Hill agency, president. He succeeds H. Roland Bieser, Standard Underwriters agency, who becomes chairman.

Other officers are William R. Dunham, Mercantile agency, vice-president; F. George Macke, Crane agency, secretary, and John Brodhead Jr., Capen & Co., treasurer. Named to the executive committee were Carl P. Daniel, Daniel & Henry Co.; John J. Henschke Insurance Agency Co., and John C. Muckerman II, General Insurers.

Insurance Club of Minneapolis at the January meeting heard a talk by Don Ross, merchandising manager of Meredith Publishing Co. of Des Moines.

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 FOR A YEAR



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## MLSO and NISO Will Combine, McCarl and Perlet Will Operate

The Multiple Location Service Office and National Insurance Service Org. have announced a proposed consolidation into a single new organization as soon as the necessary details can be worked out. The proposed consolidation has been approved by the governing committees of the two organizations but is subject to similar approval by memberships at subsequent meetings which will be called in the near future.

The proposed consolidation is described as the natural consequence of the steps taken about 1½ years ago to adopt a single rating plan for multiple location business. Since that time the two service organizations have cooperated in the performance of their respective advisory functions but have maintained separate service facilities for members and subscribers.

The name of the new organization is proposed as Reporting Form Service Office. It is intended that the new organization will choose a new governing committee elected by the combined membership and that T. D. McCarl will be the manager and H. F. Perlet the general counsel and second in administrative authority of the new organization. The new organization will function in a manner similar to that followed by each of the two predecessor organizations and will act in an advisory capacity with respect to the rating plan applicable to multiple location reporting form and form A business and also act in a service capacity to its member and subscriber companies as to the same types of business.

## Amend N. J. Surplus Lines Statute

New Jersey statutes governing the placing of insurance with non-admitted insurers by surplus lines brokers have been amended by a new law. It increases the annual fee from \$25 to \$100 and gives a regularly licensed broker the authority to negotiate and deal with the holder of a surplus line license to effect insurance and receive from the surplus line licensee a share of any commission or brokerage fee earned by him.

It also includes the feature that payment of the fire tax can be demanded of insured, and raises the bond required to guarantee payment of the fire tax from \$3,000 to \$5,000 and the amount of net cash assets requirement of the non-admitted insurer from \$100,000 to \$300,000.

## Wisconsin Casualty Men Elect Anderson President

Casualty Underwriters Assn. of Wisconsin, meeting at Milwaukee, elected L. M. Anderson, Travelers, as president for 1955. Robert Phillips, U. S. F. & G., is the new vice-president; L. A. Buck, New Amsterdam Casualty, treasurer, and Robert Blakesley, Home Indemnity, secretary.

## Home Mutual of Chicago Names Victor Raab Head

Home Mutual Ins. Co. of Chicago which specializes in underwriting PHD recently elected a new board of directors. Among the newly elected officials are Victor Raab, president; H. R. Schwab, executive vice-president and Don R. Jensen, secretary.

Mr. Schwab and Mr. Raab are partners in the Schwab agency there and Mr. Jensen is a partner in Don R. Jensen & Co. general agents. Home Mutual is placing through its organization financed, regular and substandard PHD and offers all producers personal supervision of orders from underwriting to claim settlement.

**Maloney Revokes Agent's License**  
LOS ANGELES—Commissioner Maloney has revoked the insurance agent's license of Charles C. Witcher, after a hearing on charges of having pleaded guilty in court to committing a felonious act of forgery.

## Phoenix, Eng., Office At Chicago Made Western Department

Phoenix of London group has made the branch office at Chicago an autonomous western department under the supervision of Harold A. McKenna, vice-president. John J. Campion, formerly assistant secretary of the group's fire companies, has been made deputy manager of the western department and transferred to Chicago.

The office will supervise all production, underwriting, claims, engineering and accounting in Illinois, Michigan, Missouri and Wisconsin.

William C. Harris, formerly at the head office of the group, where he was in charge of fire underwriting for the city of London, has been appointed assistant secretary of the fire underwriting department of Phoenix Assurance, Columbia of New York and United Firemen's, with headquarters at the home office in New York. He is a fellow of the Chartered Insurance Institute of England.

Making Friends  
... with the



Fieldmen

# THE FIVE MOST WANTED MEN IN NORTHERN OHIO

These five Fire Association-Reliance Fieldmen are headquartered in Cleveland.

Agents in their Northern Ohio territory give testimony to the fact that these men are indeed of immense value . . . that they extend more help in more ways than expected . . . in every phase of insurance . . . willingly and capably.

These men know insurance.

They understand their agents' local markets intimately.

They often go far beyond the expected in developing business for agents . . . in working with agent and client around the clock . . . in putting resourcefulness and ingenuity to work on the most difficult problems.

These men have the authority to make time-saving, on-the-spot decisions. They are trained by companies which will never grow too old for family feeling, nor lose their high regard for personal relationships.

Equally important, they are cordial, interesting people whom you'd like to know. They make business a pleasure.

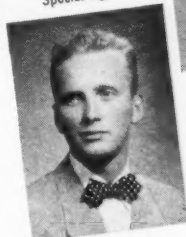
These five men are not unique. The Fire Association-Reliance Fieldman in your territory is of the same caliber . . . trained by the same companies . . . chosen for ability as well as likeability.

He can be of substantial aid to your business in more ways than you perhaps think possible. That is his job—to offer more than is expected.

Why not contact him soon?



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Special Agent



Roger Gibson  
Special Agent



Charles Miller  
Marine State Agent



Bob Edwards  
Special Agent



George Coates  
Regional Manager



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## Joins American Cas. at Pittsburgh Branch

Walter W. Jennings has been named manager of the fire and inland marine division at Pittsburgh by American Casualty. He succeeds John Matlack, who is transferring to the home office for supervisory duties in the fire department.

Mr. Jennings has been in insurance nearly 20 years.

Ian Scott has been named Washington and Oregon marine manager for Coast Underwriters of Seattle.

## H. W. Sadler Opens New Office at Chicago

H. William Sadler, formerly Lloyds department manager for Enger, Barnett & Hurwith, Chicago, has opened his own office there, operating as H. William Sadler & Co. Starting in insurance in 1939, Mr. Sadler has had both company and agency experience. He returned recently from a six-week visit to London where he arranged for foreign facilities to supplement his nationwide operations for handling all types of insurance. H. W. Sadler, Sr.

who retired from the Federal Reserve Bank of Chicago after 20 years, will be with the new firm.

## Oppose Higher Liability Limits for Trucks in N. Y.

General opposition to any increase in the required limits of liability insurance on truck operators in New York state was expressed at a public service commission hearing in Albany, N. Y. Present limits are 10/20 with various amounts from \$5,000 to \$25,000 required for property damage liability.

Commissioner Eddy of the PSC indicated the agency was not advocating any change in present requirements but that it had been several years since the subject had been reviewed and it wanted to get up to date on present conditions.

Trucking representatives indicated that the increase in the requirements would go hard on small truck operators. Walter S. Attridge, agent of Boston, who writes a considerable amount of trucking business, opposed any change in the limits. Present limits are satisfactory, he indicated, and do not hurt the people of the state.

Others who testified, including submitting data on claim payments, estimates of increased costs because of higher limits, etc., included Arthur Becker, insurance examiner of the PSC, Harry A. Olmstead of Mutual Bureau, and J. R. McWilliams, assistant automobile manager of National Bureau.

## Self Insurers Group Reelects Smythe

C. F. Smythe of New York Telephone Co., was reelected chairman and J. J. Regan of Sherpick, Gilbert, Regan & Davis, law firm, secretary of Self Insurers Assn. of New York. New managers are R. T. Hubbard of General Electric, and M. L. Robb of Westinghouse Electric.

## Reppert Joins Am. Liberty

Richard W. Reppert, who for five years has been vice-president and Oregon manager of Ranier National, has resigned to join American Liberty as resident vice-president and Pacific Northwest manager.

Mr. Reppert will introduce American Liberty in the northwest territory. The company has been writing mainly fire and allied lines. Before going with Ranier National, Mr. Reppert was with American Auto, United Pacific, Aetna Life and the Newell general agency of Seattle.

## Leavey Says Cal. UCD Opinion Backs Views of Insurers

The recent California attorney-general's opinion holding the so-called extended liability account arrangement provided in the state UCD to be constitutional, was described by H. Harold Leavey, vice-president and general counsel of California-Western States Life, as following the position consistently contended by private insurers.

Contending the UCD act highly experimental, Mr. Leavey said part of the experiments surrounds handling of the claims of the disabled unemployed. The attorney-general held that interest on funds collected from all workers in 1944 and 1945 can be counted in the formula, along with a limited assessment on both private insurers and the state fund. The opinion holds the arrangement to be constitutionally proper.

The attorney-general suggested that studies be conducted as to the equitable operation of the plan, and Mr. Leavey pointed out a similar suggestion was made to the assembly interim committee on finance and insurance by Dr. M. T. Wermel, consulting actuary of the department of employment.

The opinion grew out of a demand by the state department of finance, and some of its auditors, on a suggestion that a gift of public monies might be entailed in the legislative arrangement.

(CONTINUED ON PAGE 20)

## Asks Federal Action on Disaster Cover

A system of federal disaster insurance was urged by Gov. Roberts of Rhode Island at the opening session of the state legislature. He said that last summer's hurricanes showed that extended coverage is inadequate.

He said that he had been informed that flood or tidal wave coverage was available, that its rates made it prohibitive. Insurance which is beyond the reach of the community is worthless, he said.

"If private insurers are unable or unwilling to cover the risk, then the matter should be dealt with on a national basis by the creation of federal disaster insurance," he said, announcing he would ask Rhode Island congressmen to press for federal action.



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## Specialists in Workmen's Compensation

Commissioner Northington, informed

John R. Munson has joined Home in the western department at Chicago as office manager. Mr. Munson has been in insurance since 1931, and has had extensive field and administrative experience, especially in the farm business.

Hartford Accident has named W. C. Thomas superintendent of the group disability department at Chicago. He joined the company in 1950 and was transferred to the western department at Chicago two years later.

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## Casler and Baker Are Advanced by North British Group

North British has named H. W. Casler and M. B. Baker Jr., formerly secretaries assigned to administrative duties, deputy assistant U. S. managers of that company. They also have been elected assistant vice-presidents of



H. W. Casler



M. B. Baker Jr.

Pennsylvania Fire, Commonwealth, Mercantile, and Homeland.

During the past two years Mr. Casler has been secretary assigned to the executive department, and Mr. Baker, while nominally secretary of the improved risks department, also has had administrative duties. Both executives have now been given enlarged administrative duties, and Mr. Baker will continue for the time being as head of the improved risks department also.

Mr. Casler joined North British group in 1950 as assistant secretary in the inland marine department, later advancing to secretary in charge of countrywide operations. He has had wide experience in inland marine underwriting and production, and has traveled rather extensively throughout the 48 states.

Mr. Baker was an engineer with Ohio Inspection Bureau. In 1947 he joined North British group as state agent at Cleveland. About a year later he went to the New York office as automatic sprinkler and chemical engineer for the improved risks department, and subsequently served for four years as assistant department head.

## To Hold Fire Institute

MILWAUKEE—The college of business administration of Marquette University will conduct an institute on fire insurance and allied lines during the spring semester, Feb. 7-April 25. Stephen A. Park, an experienced insurance salesman and associate professor of economics, will direct the institute.

Wisconsin Fire Underwriters Assn. and Wisconsin Public Relations Committee are cooperating. Instructors will be M. G. Engfer, Employers group; W. W. Ferguson, Royal-Liverpool; Peter Keller, Home; R. G. Mielke, Phoenix-London; T. L. Mulcahy, National Fire; Paul H. Mast, executive secretary Wisconsin Assn. of Insurance Agents; and A. L. Steinhilber, manager at Madison of Wisconsin Fire Rating Bureau.

## Tobacco Mutual Dissolved

Hartford County Tobacco Growers Mutual, which was set up to cover tobacco growers against hail damage, and which stopped operations 24 years ago, has been dissolved by Superior Court Judge House at Hartford.

Only 12 of the 179 policyholders who suffered losses in the 1930-31 crop year filed claims against the company. Rather than make an unfair distribution of the \$2,937 cash assets of the company, the money was turned over to the state as reimbursement for past services.

## Hanover Proposes to Issue More Stock, To Write Casualty

Directors of Hanover Fire have voted to recommend to stockholders that capital stock be increased by the offering of 100,000 additional shares, on the basis of one share for each four shares held. The additional money would be used to expand Hanover's activities in the casualty field. It has been writing some casualty reinsurance.

Stockholders will vote on the proposal March 7, and subject to market conditions, the additional stock will be offered late in March. The underwriting group will be headed by First Boston Corp. and R. W. Pressprich & Co.

## Insurer Liable in Conn. Dram Shop Case

Judge Troland of the Connecticut superior court at Norwich has held London & Lancashire Indemnity liable in a case involving sale by the owner of a restaurant of intoxicating liquors to persons who are apparently intoxicated, if those persons subsequently are killed in an automobile accident.

The insurer was seeking a declaratory judgment relieving it of liability under an OL&T policy for suits brought against Mrs. Rose Duryea, owner of Ye Old Well restaurant at Colchester, after a three car crash in which six persons were fatally injured. She is being sued under a special statute on the allegation that the deaths were caused by her acts or those of her employees in serving intoxicating beverages to an auto driver, when she or they knew, or should have known, that he was in an intoxicated condition.

## John P. Malloy Retires

John P. Malloy, who is well-known in automobile accident prevention work, has retired after 33 years with General Accident. He started with the company in 1921 in the engineering department and later went into automobile safety work, which then was in the early stages. He was a charter member of metropolitan chapter of American Society of Safety Engineers, later merged with New York Safety Council. Mr. Malloy has worked under John H. Grady, former U. S. manager, and William Bernhard, who succeeded Mr. Grady and is at present deputy U. S. attorney.

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## Ten Insurers Receive Citations for Excellent Management

American Institute of Management has awarded certificates of management excellence in 1954 to 10 fire and casualty companies. They are among

the 379 American and Canadian companies receiving management citations.

The companies receiving awards are: Allstate, Continental of the America Fore group, Federal of Chubb & Son, Fidelity-Phenix of America Fore, Fireman's Fund, Hartford Fire, North America, Merchants Fire of New York, U. S. F. & G. and St. Paul F. & M.

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## Urges Agents to Avoid Technical Explanation of Dwelling Policies

Arthur J. Goedwaagen, executive special agent of London Assurance, addressing Oakland Insurance Forum, advised agents not to use language too technical for the average buyer when explaining the new dwelling policies.

He added that recent homeowners' coverage developments have changed the entire outlook of producers. When selling Mr. Goedwaagen advised the agents to be careful in analyzing the power of the policies that they do not deprecate one in comparison to another.

Charles Disharoon, local agent and forum president, was in charge.

A similar talk on the dwelling coverages was given to San Jose Assn. of Insurance Agents later in the week by Herbert Dinsmore, special agent of Home.

## Risque Promoted by Service Fire

Page Risque has been elected an assistant vice-president of Service Fire and Service Casualty. He will continue to handle home office administrative duties. He joined the companies three years ago.

## Fla. Agents Give Awards

Competition is now open for two new awards to be given by Florida

Assn. of Insurance Agents. They are the past presidents' cup to be given to the member agent who has performed the most outstanding service for the agency system and the association during the year, and the James C. McKay cup which will be awarded annually to the local board which has rendered the most outstanding service to its community, its members, the state association and the agency system. The James C. McKay cup is named for the only living founder of the Florida association.

## Rules Bids Not Required in Buying City Coverage

A city is not required to buy insurance through competitive bidding Circuit Court Judge Taylor of Tallahassee has ruled in a case brought by a mutual agent against Tallahassee. The judge also said the city has no authority to require the agent or agents with whom the cover is placed to divide commissions with any other agents.

The purchase of insurance is not, strictly speaking, the purchase of anything, it is a contract, or a series of contracts, he said. As between stock and mutual companies, or between individual companies within either group, the price charged for the insurance contracts is not the only controlling factor, he said. The financial responsibility of the insurer and the quality of service furnished are also important.

The fact that rates are more or less fixed does not prevent insurers from making their contracts more desirable by furnishing better services.

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## Brown Bros. Promotes Howorth in So. Cal.

Brown Bros. Adjusters, San Francisco, has appointed Randy Howorth general manager of the southern California offices.



Ted D. Brown



Randy Howorth

He has been assistant general manager and formerly was manager at San Jose.

Mr. Howorth will have supervision over Los Angeles, Long Beach, San Bernardino, Palm Springs and San Diego.

Alex Brown, former assistant general manager at Los Angeles, has resigned.

Mr. Howorth, a stockholder in Brown Bros. has been with the firm for 18 years. He opened the Modesto office of Brown Bros. in 1937, moved to Chico in 1938 and in 1940 transferred to Fresno. After army service he returned to open the San Jose office.

Orlo Hill, who has been acting as assistant to Mr. Howorth at San Jose, will become adjuster in charge there.

Ted D. Brown is general manager of Brown Bros. adjusting.

## Brewer Buys Walker Agency at Lockport

Herbert S. Brewer, Lockport, N. Y., local agent, has purchased the Dennis M. Walker agency there. Mr. Walker has sold the agency because of ill health. The agency will be moved to the Brewer & Brumley agency at 79 Walnut street.

## Government May Pay Surety Bond Premiums

WASHINGTON—The internal revenue service has submitted to representatives of the surety bond business final forms for criticism preparatory to calling for bids on blanket bonds for internal revenue officials on which the government will pay premiums.

Meanwhile, the post office department has reportedly drafted a bill under which it would be authorized or permitted to pay premiums on bonds for many employees of the postal service. This measure is expected to be along the lines of one introduced late in the last session of congress. The Hoover commission on government reorganization recommended that the system for bonding government employees be streamlined and its cost reduced.

It has been estimated that if all government departments and agencies adopt a similar program to that of the internal revenue service, the cost to the government would be from \$500,000 to \$750,000 a year. Such a program would reduce cost of bonding to individual employees, but not to the government, which has not paid premiums on such bonds.

## Mo. Preventionists to Meet

Missouri Fire Prevention Assn. will meet Jan. 20 at Jefferson City to elect a new president to succeed R. R. Taylor, America Fore, who has been transferred from Missouri.

## Two More Insurers Enter Va.

National Farmers Union Life and National Farmers Union Property &

Casualty have been authorized to do business in Virginia. Both are subsidiaries of National Farmers Union of Denver. John B. Vance of Amelia, Va., president of Virginia Farmers Union, which will operate the Virginia business from Richmond headquarters, said organization of the companies there is in progress.

## Buys Indianapolis Agency

The Stone, Stafford & Stone agency of Indianapolis has been purchased by John Mead, the general manager. It will continue in business under the same name.

## Bush to Agency Post of Glens Falls Group

Glens Falls group has appointed C. Irving Bush agency superintendent in the home office production department. He will take over field executive duties in the New England states formerly handled by Vice-president H. W. Cowles, and the New York capital district territory heretofore under supervision of Secretary Wallace H. Cowan. These two officers thus can be relieved of some of their field responsibilities.

to assume additional important home office administrative duties.

Mr. Bush joined Glens Falls at the home office in 1935, was appointed special agent in the capital district in 1937; and in 1951 was made manager of the group office in Albany.

Mrs. Lucille T. Blakesley of Insurance District Executives Assn., the Chicago chapter of National Assn. of Insurance Women, was elected general convention chairman of the National association in preparation for the annual convention of the women agents to be held in Chicago next June. Mrs. Blakesley has been with Factory Insurance Assn. in Chicago for 28 years and is cashier and supervisor of accounting for the western regional office.

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### Factory Mutuals Won't Up EC Rates, No Change Yet by N. A., Allstate

Factory Mutuals have indicated they will not increase extended coverage rates as a result of the 1954 hurricanes in the east. Excellent fire insurance experience has offset rising EC loss ratios, the mutuals indicated.

So far North America and Allstate have not increased their EC rates.

### Delaney Forms Own Reinsurance Office

William F. Delaney Jr. has formed a new reinsurance brokerage office, Delaney Offices, Incorporated, with offices at 99 John street, New York City. It will specialize in reinsurance for fire, casualty, marine and multiple lines. Emphasis will be placed on catastrophe covers, surplus treaties and stop loss covers.

Mr. Delaney has been the New York reinsurance manager of Fairfield & Ellis eight years. He was formerly general counsel of American International Underwriters and its affiliated companies. Prior to that he was an attorney for Irving Trust Co.

Mr. Delaney taught the reinsurance course of New York Insurance Society four years. He has written several books and various articles on reinsurance. He has made public speeches on many reinsurance problems and trends of the reinsurance business. He delivered a speech in Spanish at the western hemispheric insurance conference in Rio de Janeiro last August on the need for simplifying reinsurance procedure in Latin America. The Spanish government awarded him the silver medal of insurance for his contribution to the international congress on catastrophe risks at Santandar, Spain in 1947. Mr. Delaney also does an international reinsurance business in Brazil, Mexico, Venezuela, Argentina, Spain, Portugal, New Zealand and India.

### To Vote on Employers Re 25% Stock Dividend

Stockholders of Employers Reinsurance at their annual meeting Feb. 3 will consider a proposal approved by directors that a 25% stock dividend be declared. This would boost capital from \$2 million to \$2,500,000.

### Simpson Denies Charges

Joseph Simpson, former president of the defunct Pioneer Mutual Com-

pensation, pleaded not guilty in Denver municipal court to charges that he converted \$735 given him for insurance premiums. A hearing on the charges was postponed to April 6. Counsel for Mr. Simpson explained the latter recently started a new enterprise in California and needed time to get on his feet. The new enterprise does not deal with insurance.

Simpson is charged with taking money given him by W. B. Arnold of Sterling, Col., an insurance salesman. At the time he was working for his son's organization, Tri-State Underwriters, now also defunct.

### Louisville Board Elects E. E. Carrico President

LOUISVILLE, KY.—E. Ewing Carrico of Carpenter & Burba agency was elected president of Louisville Board of Fire Underwriters at the annual meeting here. He succeeds James W. Henning who headed the group for two years.

Other officers are Joseph D. Scholtz Jr., vice-president, and R. W. Barnes Jr. who was re-elected secretary-treasurer.

Edward J. Miller, who has been in insurance in Louisville 56 years and a member of the board more than 50 years, was presented a gold lighter commemorating his membership.

Presentations also were made to members with a perfect year's attendance. John M. Hennessy, former board president, and Mr. Henning made the awards.

Mr. Carrico, the new president, is a graduate of Rose Polytechnic. He was with the Louisville sewer commission in the city construction survey department until 1936 when he joined Tennessee Inspection Bureau. In 1938 Mr. Carrico joined American of Newark as special agent in Kentucky with headquarters at Lexington. He joined the Carpenter & Burba agency at Louisville in 1947, and in 1950 became a CPCU. He is a navy veteran. He has been vice-president of the Louisville board.



E. E. Carrico

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### 1955 Chicago Phone Directory Available

The 1955 edition of the Chicago Insurance Telephone Directory, largest and most complete ever published, is now available from the National Underwriter Co., A-1645 Insurance Exchange building, Chicago. Price is \$1.

Phone numbers of companies, agencies and firms allied with the business, as well as those of their executives, appear in two separate sections. Offices in the Insurance Exchange building are separated from those outside the building. There also is an enlarged classified section in which are listed firms specializing in insurance company accounts.

The new directory contains 208 pages, a record number, and has been completely revised to reflect changes in personnel, phone numbers and office space.

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# U. S. Employees Want Government to Pay Half of Group A&H

WASHINGTON—Representatives of federal employe associations who attended a meeting here at which the administration's proposal for contributory group A&H insurance was described, charged that the provision for the government to pay one-third of the cost was inadequate. They urged that the U. S. foot half the bill, protesting that their two-thirds burden, as proposed, would be too heavy. A bill to carry out the program has not yet been introduced.

Officials of civil service commission and others also attended. Federal employees already are participating in a group life insurance program put into effect in August. The A&H proposal would be along similar lines.

The coverage would be obtainable in one of three ways. Employees would have their choice of participating in an overall reimbursement-type "standard plan" administered by the civil service commission and insured in life and casualty companies and Blue Cross and Blue Shield; prepayment group health insurance plans (Blue Cross and Blue Shield) or insurance company group plans to be offered through employees' agencies. In the last case, an insurer could offer a program to any group of employees provided that 75% of group accepted it.

Under the proposal, an employee without dependents would pay \$39 a year and one with a wife and children under 19 would pay \$104 a year. On a bi-weekly pay period basis, this would be \$1.50 and \$4 respectively. The government, on the same basis, would contribute 75 cents and \$2 respectively, bringing the bi-weekly cost to \$2.25 for employees with no dependents and \$6 for the rest.

Total cost to the government would be about \$55 million a year.

A major medical expense benefit is included in the standard plan. The employee would be reimbursed, up to a maximum of \$2,500, for 75% of his medical expenses over the basic benefits and over a \$100 deductible. The standard plan also includes reimbursement up to \$12 for 70 days for room and board and up to \$240 for other hospital services; expenses for surgical operations according to a schedule to be established by the commission and up to \$200 for the most serious operations; up to \$150 for any one maternity; up to \$3 per day for 70 days for in-hospital physicians' charges and up to \$50 per calendar year for any one person for out-of-hospital expenses, according to a schedule to be established.

Philip Young, chairman of the civil service commission, pointed out that while the choice of plans exists, a minimum of 600,000 of the estimated 1,800,000 eligible employees would have to volunteer for the standard plan before it could go into effect.

The standard plan provides that a participating employee who retires either for disability or after 15 years' of service may continue substantial protection at the same cost provided he authorizes deductions from his annuity checks. He would be able to purchase non-medically an individual policy for

himself and his dependents from an insurer participating in the standard plan.

## S. C. to Study Changes in Commissioners Office

A joint resolution asking for a six member committee to investigate the administration of the insurance commissioner's office has been introduced in the South Carolina legislature.

In his farewell speech, Gov. Byrnes suggested changes in the appointment of the commissioner and his removal. The present law allows the commissioner to be elected by the legislature and removed only by two-thirds vote of the legislature. He recommended the power of appointment of the commissioner be vested in the governor subject to confirmation of the senate and that the governor be authorized to remove a commissioner for misconduct, incapacity or neglect of duty.

Under the resolution, which has been referred to the ways and means committee, the committee would be appointed to obtain information upon which to base legislation concerning whether the existing insurance laws are properly administered, whether the commissioner insists on the insurers complying with the recommendations made by the examiners and approved by him, whether the office of the commissioner is properly organized, whether there is a sufficient check by the commissioner as to the reliability of foreign insurers, what changes should be made in existing laws, and whether insurers are paying a fair share of taxes for the maintenance of the state government.

Northern California agents and brokers of General of Seattle companies attended a sales meeting Jan. 11 at San Francisco. W. L. Campbell, president, led a group of home office executives who gave short addresses. More than 350 attended.

## Texas Department Outlines Views on Needed Legislation

A letter outlining the views of Texas Board of Insurance Commissioners on needed legislation has been sent to Gov. Shivers and other state officials. It is signed by Garland A. Smith, life commissioner and chairman, and J. Byron Saunders, casualty commissioner.

The commissioners suggest a full-scale interim study of insurance regulation by a group of qualified persons, so that Texas may develop a "model code" and at the same time recommend immediate remedial legislation.

Because of their responsibilities, the commissioners say they have made an intensive study of insurance regulatory problems. They caution against hasty action, and say that a single law cannot meet the needs or solve the problems.

In suggesting measures for the current legislature, the commissioners cover the areas of company organization, company function and department operation. The suggestions include:

Generally increased financial requirements for organization of all types of companies except full capital stock life, to a standard proper for public protection.

Establishment of authorized statutory surplus with a requirement that these initial funds be in cash or government bonds, and unimpaired.

Authority for the department to inquire into competence and character of applicants for insurance charters, with a requirement to satisfy the board that qualified management personnel has been secured.

Broadening of department authority to include continuing discretion as to management and management policies.

Authority for the department to con-

sider any and all factors in accepting valuations on real estate, with a requirement that new companies invest initial capital only in approved securities in the first three years.

Semi-annual examination of companies during the first three years, annual examinations for the next three years and triennial examinations thereafter.

Establishment of regulations over stock sales, with jurisdiction under either the secretary of state or the insurance department.

Authority of the board to require fire and casualty companies to maintain an actuarially sound ratio of free and unimpaired surplus to volume of insurance written.

Authority to treble the size of the examination force, increase investigative staff and set up a staff of analysts.

Enlarge the department's legal staff and actuarial and statistical staffs, and establish a new position of secretary to the board as an administrative job.


Permission for the board to hire seasonal labor for peak work loads.

## Hartford Accident Names Gates at N. Y.

Benjamin F. Gates has been named manager of the New York department of Hartford Accident, under vice-president George T. Merrick. Mr. Gates will have charge, under Mr. Merrick, of all executive, administrative and underwriting functions of the department.

Mr. Gates joined the company's Pacific department in 1926 as a claim representative at San Francisco. Subsequently he served as a special agent in the Pacific Coast department territory, and in 1941 was appointed manager at St. Paul. Since 1948 he has served as assistant general manager at New York. He is an attorney.

Southwest General of San Antonio has been licensed in California.



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COLUMBUS, OHIO

## Aetna Casualty Names Bromage and Braman

Howard M. Bromage and William B. Braman have been named assistant directors of sales training by Aetna Casualty. Both have served a number of years as instructors in Aetna Casualty sales course, through which the company has trained nearly 5,000 of its representatives.

Mr. Bromage was connected with the company's educational extension and Aetna plan divisions and later was in the field. Mr. Braman started in underwriting work in the liability department, later served as a field man and then returned to the home office as supervisor of the educational extension division.

## Asks Insurance Awards Without Competition

George F. Waite, commissioner of contract and purchase at Syracuse, N. Y., is asking that fire and theft and automobile liability for all departments except water and engineering, be let without competitive bidding. The premium would be \$52,700. He has also requested permission for purchase, without competitive bidding, of fire and windstorm for Burnet park, at a premium of \$57,972, and accident cover for public school athletes with a premium of \$6,200. He has asked approval of awarding, without bidding, fidelity bonds covering city employees in the premium amount of \$4,413. If the request is granted, it will be the city's biggest political plum.

In his letter stating the requests to the common council, Commissioner Waite wrote that he intended to continue the review of city insurance which resulted in savings of about 20% in the 1954 budget.

## Inspect Missouri Penal Institutions for Fire Hazards

JEFFERSON CITY, MO.—A survey of fire protection systems in Missouri penal institutions has been launched at the recommendation of Maj. Gen. Ralph E. Truman, chairman of Missouri penal survey committee.

Taking part in the work are W. C. Anderson, manager of Missouri Inspection Bureau, and W. E. Eldon and G. C. Monroe, bureau inspectors. The National Board is cooperating.

The survey was stimulated partly by the recent riots at the Missouri

penitentiary located within the Jefferson City limits, which resulted in heavy fire damage. Recommendations made by the three-man team will be included in a report on reforms being prepared for Governor Donnelly.

## Hearing on Request for 35% Professional Hike

RALEIGH, N. C.—No opposition developed at a public hearing here on a request by National Bureau for a 35% increase in hospital professional liability rates, but North Carolina Assn. of Mutual Insurance Agents suggested the increase should be held to 25%.

W. A. Stringfellow, executive secretary of the mutual agents said it has been general custom to hold rate variations to a maximum of 25%.

North Carolina Hospital Assn. was represented but did not protest. Thomas E. Murrin of New York, assistant actuary of National Bureau explained the filing.

## Mass. Asks for Full EC Data for 1954

The Massachusetts insurance department has issued a formal call to insurers writing extended coverage in the state for full data on dwelling premiums and losses during 1954, including losses incurred but unpaid at year end. The call is for Feb. 10. The department recently approved an increase in the EC rate on these classes from 12 to 30 cents.

## London Insurer Sues, Charges Arson, Fraud

Andrew Weir Ins. Co. of London is suing owners of the Grove, night club near Jackson, Miss., charging them with deliberately burning the club to collect insurance on a policy that was to expire in five days.

The company charges, in seeking to set aside the \$15,000 policy, that the policyholders, Richard Kent and H. C. White, of Lake Providence, La., had withheld information that gambling and liquor sales were being conducted at the club, contrary to Mississippi law. If the company had known that, the suit contends, the policy would not have been issued.

The company had informed the policyholders it was cancelling the policy after the district attorney began proceedings to padlock the club for alleged illegal liquor sales and gambling.

## Automobile, Standard Fire Boating Display

An animated display of pilot rules and storm signals for sailboats and powerboats are features of the exhibit of Automobile and Standard Fire at the national motor boat show in New York City Jan. 14-23.

Model boats are used in the animated display which shows, by means of directional lights, the course to be followed by sailboats and powerboats to avoid collision when meeting other vessels. The signals include hurricane, storm and small craft warning signals, both the flag day signals and the lighted night signals.

## Wayne County Agents Elect

Wayne County, Michigan Assn. of Insurance Agents has elected Robert Gibson of Lincoln Park as president for 1955, succeeding Arthur B. Mains of Dearborn. Other officers are: Vice-president, Anest Cales, Dearborn; secretary-treasurer, Louis I. Goniea, River Rouge (reelected).

## Payne Is Home Director

Herbert A. Payne, vice-president of Home and Home Indemnity, has been elected a director of Home Indemnity. He has been a director of Home since 1951.



# Fire and Casualty Insurance

## COMMENTS - TRENDS - OBSERVATIONS

### Cases Arising Out of Kansas City Flood Discussed by Conklin for IM Assn.

The growth of inland marine and specific problems pertaining to it, especially those met after the Kansas City flood of 1951, were discussed by Clarence R. Conklin of the Chicago law firm of Heinke & Conklin at the January meeting of Inland Marine Claims Assn. of New York in New York City.



Clarence R. Conklin

The legal problems which confronted insurers of cargo caught and destroyed in the Kansas City flood were twofold, he said. The first encountered was the determination of liability under the policy as investigations of losses indicated that the flood damaged merchandise was in various states of transit at the time of the loss. Serious questions arose as to passage of title and risk and much time was spent investigating all circumstances before the conflicts between the documents, customs of the trade, and intent of the parties were resolved.

After the liability feature was clarified and the losses paid, insurers had the problem of the pursuit of subrogation rights and determination of the liability of carriers, bailees and other third parties involved.

Direct and indirect damage in the flood was estimated at \$725 million. Cargo liability claims filed against railroads during the nine months after the flood were \$12,067,443.

In a federal court case tried at Madison, Wis., the Santa Fe railroad brought out that the U. S. corps of engineers estimated damage to the Argentine railroad yard area in Kansas City was \$62,144,356. The TWA loss at Fairfax airport was \$4.5 million.

The majority of the troublesome inland marine problems which came out of the flood were concerned with transportation. First were those which arose under the various forms of owner's transportation coverage. Not only was there found to be variance in terms and conditions of policies, but many complex problems were presented regarding passage of title and risk of loss on goods in transit.

Before these floods, it was not generally recognized by IM underwriters that there was such a wide variation in the terms and conditions of coverage. A wide spread in rates was also found. Though most of the forms provided coverage on property owned by named insured, and EC on property held in trust or on commission, there was wide lack of uniformity with respect to time and place of attachment

of risk, and definitions of losses assumed or disclaimed.

The determination of rights and responsibilities is dependent on the intent of the parties, but it was not an uncommon experience to find that the terms and conditions of parcel agreements on extensive grain transactions were often at complete variance with the conditions contained in confirming documentary evidence which later passed between the parties.

Most of the IM underwriters took a liberal attitude in disposing of these transit grain claims on the basis of the established parcel agreements.

The rail carriers pooled forces to resist the majority of claims filed. This position was predicated on the theory that the losses were caused by an act of God and without any contributory negligence on the railroads' part. They acted promptly in declining claims to start the running of the statute of limitations, two years and a day from the date of declination in writing.

In all, about seven or eight leading cases have been tried. The pattern of non-liability of the rail carriers was settled. One of the first and important cases was the decision of Judge Ridge in the U. S. district court at Kansas City in Little Rock Packing Co. vs Burlington, et al (116 Fed. Supp. 213). The shipment involved a load of cattle which had been offered for transportation at Sioux City, Ia., to the Chicago Northwestern railroad. Part of the cattle were consigned to Dallas, the rest to Little Rock. On the afternoon of July 11, the Northwestern railroad received word that its connecting carrier at Kansas City, the Missouri Pacific, would not accept the cattle at that point because of floods which prevailed south of Kansas City. The railroad notified the shipper it would not accept the cattle for shipment. The shipper inquired of the Burlington agent at Sioux City and informed him as to why the Chicago Northwestern had refused to go through with the shipment. The Burlington agent checked with his superiors and agreed to accept the shipment despite the flood conditions and told the shipper the cattle would go through on schedule. The train left Sioux City late and continued to run behind schedule to Kansas City. The shipment arrived in Kansas City and was unloaded at the stock yards for rest and watering early the morning of July 13, the day of the flood. They had not been moved out of the yards before the order to evacuate was given. The flood waters never actually reached the cattle because they were driven to barns above the water level, but open to the sun. There the cattle remained for three days. The cattle had no water, the heat was extreme and many died there, as well

as others enroute to other locations after the flood waters subsided.

Little Rock Packing Co. contended that the railroad was liable because they knew of flood conditions in and around Kansas City when they accepted the shipment, that the shipment was delayed in arriving at Kansas City, that the railroad failed to put the cattle on trains at Kansas City where there were apparent facilities to ship before the flood waters caused the stock yards to be evacuated, for holding the cattle at Kansas City for an unreasonable length of time, and in failing to use reasonable care to protect the cattle after the consequences of the flood became apparent.

The court held that the railroad had no liability because though it may not have notified the plaintiff of probable delay in shipment, that was not the proximate or direct cause of the loss; that holding the cattle at the stock yards did not contribute to the danger which damaged them; that the main cause of their loss was an act of God, and that the railroad attempted to put the cattle in a place of safety when they transferred them to barns above flood level.

In another case, Ray-O-Vac vs Chicago Northwestern Railway, a shipment of a carload of batteries was involved. It was inundated in the flood at Kansas City July 13 at the Santa Fe yards. The court held the railroad not liable because the Santa Fe was not negligent in relying on the information released by, and the forecasts of, the Kaw Valley drainage district. The U. S. corps of engineers and the U. S. weather bureau, that the levee protecting the Argentine district of Kansas City, Kan., would hold and not be overtopped. The flood was also found to be an act of God in this case.

Mr. Conklin summarized the findings of the courts as follows: That the flood was unusual and extraordinary and amounted in fact and law as an act of God, that the court took judicial notice of the fact that the flood was an unprecedented one, and in overflowing the dikes and area in the Kansas City district such act of God was unforeseen and unforeseeable, that the carriers were not negligent in relying upon information released by the U. S. corps of engineers and the U. S. weather bureau and acted reasonably in relying on the protection of the levees which had been considered a guaranty of safety for many years. Precedent delay in transit, which caused the cargo to reach the flood area in time to be damaged, was an antecedent act which in no way contributed or concurred to bring about the danger, and could not be considered a proximate or concurring cause of loss, and conversely, delay which caused property not to be transported from the flood area which the carrier had a right to believe was safe, could not be considered a proximate cause of the loss.



JAMES F. CORROON, right chairman and co-founder of R.A. Corroon & Co., New York City brokers, was presented a plaque to commemorate the 50th anniversary of the firm. Charles G. Colpe, president, presented the plaque on behalf of the employees.

### EC Now Costs More Than the Fire Insurance

In the old days many insured across the country bought fire insurance and took a chance on the wind. As time went by and the extended coverage was developed and proved its worth, EC became increasingly important to the property owner. With the windstorms of recent years, particularly in the northeast, EC probably today is at least equal in importance in the insured's mind to fire insurance and on a cost basis, EC in many places now is more important.

For example, since the increase in rates from 12 to 30 cents in Massachusetts, in Worcester the rates are 15 cents per \$100 for fire insurance and 30 cents for EC for a one family dwelling. Thus EC there costs twice as much as fire. There was a slight reduction in fire rates last year, but a year ago the two rates in Worcester for this type of property were 16 cents for fire and 12 cents for EC. Today, of course, the mortgagee requires EC and since the hurricanes of 1954, this requirement undoubtedly is universal.

M. M. Rowe, president of Worcester Mutual Fire, indicated the increase in EC rates was long overdue. In the 10 years preceding 1954, his company paid out \$1 in EC losses for each \$1 in EC premiums.

A current joke among insurance men discussing the EC situation is that insured today is going to insist upon EC, but might take a chance and do without the fire insurance.

### Indian Raid Is Insured

Northwestern Mutual Fire recently paid a claim that brought back memories of pioneer days. Robert Hart, agent at Grants Pass, Ore., had an insured and his wife who were enroute to a hunting camp attacked by Indians and raided of their possessions. They carried a householders' protective floater.

The couple were riding in a pick-up truck when they cut across the corner of an Indian reservation and were attacked. The Indians shot the tires on the truck, and after the truck had stopped, they stripped it of all the camping and hunting equipment.

The Indians, who had been taking on a little fire water, were rounded up later.

## Gold Refuses Increase in Farm Dwelling Rates

North Carolina's Commissioner Gold has ruled against North Carolina Fire Insurance Rating Bureau's proposal for a differential in fire rates on farm dwellings. The proposal was included in the bureau's annual fire revisions submitted in October which call for a net reduction of about \$1.3 million but would increase rates on farm dwellings by about 16%. The rate on farm and unprotected non-farm

dwellings has been equalized since 1951 and the bureau said separate loss experience kept on farm dwellings in 1953 showed a high loss ratio.

Mr. Gold said the statute requires fire rates to be based on experience over a five-year period, and that keeping separate statistics for farm dwellings is not necessary because the law provides there shall be no unfair discrimination between risks involving essentially the same construction and hazards with similar degrees of protection.



*From the diary  
of an Agency Secretary*



Well! This was a red-letter day for a white-collar gal like me. Here I've been "slaving" over a hot Underwood, typing up policies and shuffling loose carbon papers like crazy. Worst of all—smudging my fingers and sometimes my dress. Ugh! So what happens? PLM, bless them, have just sent us a supply of their fine new policy forms with "built-in" carbons. You simply type up your PLM policy, zip out and throw away the carbon papers. Result: a girl's hands stay like a girl's hands should—white! "These new PLM policy forms sure speed up work, too, Ellen," reminds Mr. L, "and cut down office detail." And of course he's right. So here's thanking you—both!

'Night, Diary.

### AND YOU, MR. AGENT

This is just an operating detail, of course, but we like to think it a forward step—in line with PLM's modern approach to serving its Local Agents even better. Perhaps you could use this 1955 kind of service in your office—coupled with the added strength and increased capacity PLM can bring you. Why not write us about representation?

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## New Orleans Agents Elect John Singreen

John Singreen of the Singreen agency was elected president of New Orleans Insurance Exchange at its annual dinner meeting. He succeeds James C. Kraus of the Kraus agency.

Thomas Q. Winkler, Winkler & Co., was elected vice-president; Alfred M. Barnes Sr., Calhoun & Barnes, secretary, and Leonard M. Wise, Marks agency, secretary. New directors are Messrs. Kraus and Barnes, and A. L. Schlesinger Jr., Latter & Blum.

Principal speakers were Gibson S. Stevenson, Houma, president of Louisiana Assn. of Insurance Agents, and Allen Smith, Baton Rouge, managing director of LAIA.

## A&H Legislation Already Offered in New Congress

Two proposals affecting A&H insurance have been introduced in the new Congress. The proposals and their advocates are:

To provide for crediting subscription charges or insurance premiums with respect to health or medical service plans or programs, or health or medical insurance, for federal income tax purposes—Keating, New York.

To protect and conserve labor union health and welfare funds—Hoffman, Michigan.

## Eggleston Heads Mich.

### Casualty Executives Assn.

Thomas A. Eggleston, Aetna Casualty, Detroit, has been elected president of Casualty & Surety Executives Assn. of Michigan.

A. Lawson Potter, New Amsterdam Casualty, is vice-president, and John W. Callahan, Travelers, secretary.

## Plan Course for Arson Investigators at Purdue

An international seminar in arson detection and investigation will be staged at Purdue university, West Lafayette, April 25-29. The public safety institute of the university is sponsor, and organizations interested in arson control are cooperating.

The course offers specialized study under the guidance of American and Canadian specialists. It will include a general study of fire and arson, investigation techniques, scientific aids and legal aspects.

## Schedule All Industry Luncheon at Columbus

COLUMBUS—Ohio Stock Fire Insurance Speakers Assn. will hold an all industry luncheon here on Jan. 24. Speakers will include George Lynch, educational director, Western Adjustment, Chicago; Jack Glandon, Lentz agency, president, Insurance Board of Columbus; Ray Douglass, state agent, Agricultural; and J. R. Jones, Jr., Ohio Inspection Bureau. They will discuss opportunities in insurance. Insurance class students from nearby colleges and universities have been invited.

## Compulsory Auto Measure Proposed in Missouri

JEFFERSON CITY, MO.—A compulsory automobile insurance measure has been introduced in the Missouri general assembly. Under its terms applicants for auto license plates would have to produce a receipt showing they had obtained liability insurance. The state last year passed a motor vehicle responsibility act of the type requiring security after an accident.



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## Generous Juries Add to Auto AR in N. Y., Henry N. Smith Says

Applications to the New York automobile assigned risk plan increased from 16,700 in 1950 to 125,000 in 1953, Henry N. Smith, associate attorney of the New York insurance department, told examiners at a training session. He attributed the growth of the plan to the increased number of automobiles and the adoption by insurers of more stringent underwriting requirements.

The latter development, he said, was due, in part, to overly generous jury verdicts.

Whether the plan can continue to satisfy the demands of both the public and the business in the years of growth ahead remains to be seen. The alternative, governmental intervention in the form of a state fund, would be an unwelcome remedy in many quarters.

The New York plan began under the financial responsibility act of 1942. Other states have developed assigned risk systems substantially similar.

Solomon Bendet, assistant chief of the complaint bureau of the department, also addressed the examiners. He said that although the department does not indulge in blanket condemnations of unlicensed insurers which resort to mail and radio advertising, the complaint bureau advises New York citizens that it is to their advantage to deal with companies licensed in the state. The bureau scrutinizes the background of every incorporator or director of newly organized companies that seek licenses in New York.

## Travelers "Protection" Is 90 Years Old

The Travelers Protection in February will mark its 90th anniversary. The company magazine on its masthead carries the description, "America's oldest company magazine". When it started out as the Traveler's Record, the purpose was designated as partly for the use and benefit of agents scattered through the principal cities and towns of the U. S. and partly for the interest and profit of the people whom the company hoped would become insured.

## Kemper Companies Stage Seminars on Coverages

Companies in the Kemper group have begun a series of one-day seminars on bond and burglary coverages and a three-day seminar on boiler and machinery coverages.

The bond and burglary sessions, conducted by Paul Brown, third vice-president and manager of the bond and burglary department, opened at Fort Worth, Jan. 18, with other seminars scheduled for Dallas, San Antonio, Houston; Jackson and Oxford, Miss.; Beaver Dam, Wis., and Chicago, Indianapolis, St. Louis and Kansas City.

The boiler and machinery seminar

began at Chicago Jan. 19, with Walter R. White Jr., second vice-president, in charge. Mutual Insurance Institute co-operated.

## See Pacific Board Insurers Holding Off on Rate Action

It is considered "very doubtful" that the fire companies comprising the Pacific Board will attempt to amend or introduce a new act to replace the present California rate regulatory law. It is said a group of the principal companies are dissatisfied with the present law, terming it "inadequate". The time element has intervened, however, and it is deemed necessary to continue the study now under way before attempting new legislation.

## To Discuss Welfare Funds

Jay V. Strong, vice-president of Wyatt Co., actuarial consultant of Washington, D. C., will speak on welfare fund problems at the conference Jan. 27 of National Industrial Relations Conference at Dayton, O.

Robert G. Mielke, state agent for Phoenix of London, discussed the new all physical loss dwelling form at a meeting of Manitowoc Insurance Board Jan. 17.

## FTC Handling of A&H Citations Unfair: Combs

LITTLE ROCK—Commissioner Combs at a meeting of Arkansas A&H Underwriters Assn. characterized as "unfair" the actions of federal trade commission in its handling of complaints against A&H companies for false and misleading advertising.

Mr. Combs stated that FTC agents called upon his department about two years ago, "seeking our cooperation on checking complaints. We were told that the FTC wouldn't do anything without conferring with us. Then came the blast in the newspapers by the FTC. It was unfair and it was uncalled for."

Mr. Combs declared that most of the complaints which the Arkansas department has received against A&H insurers were against so-called "fly-by-night" groups which move into a town for a selling campaign of several days and then move on. "My advice is to buy your insurance from someone you know," he commented.

Raymond Robinson, North American Accident, Little Rock, was elected

## Seaboard Surety Opens at Dallas with Moore

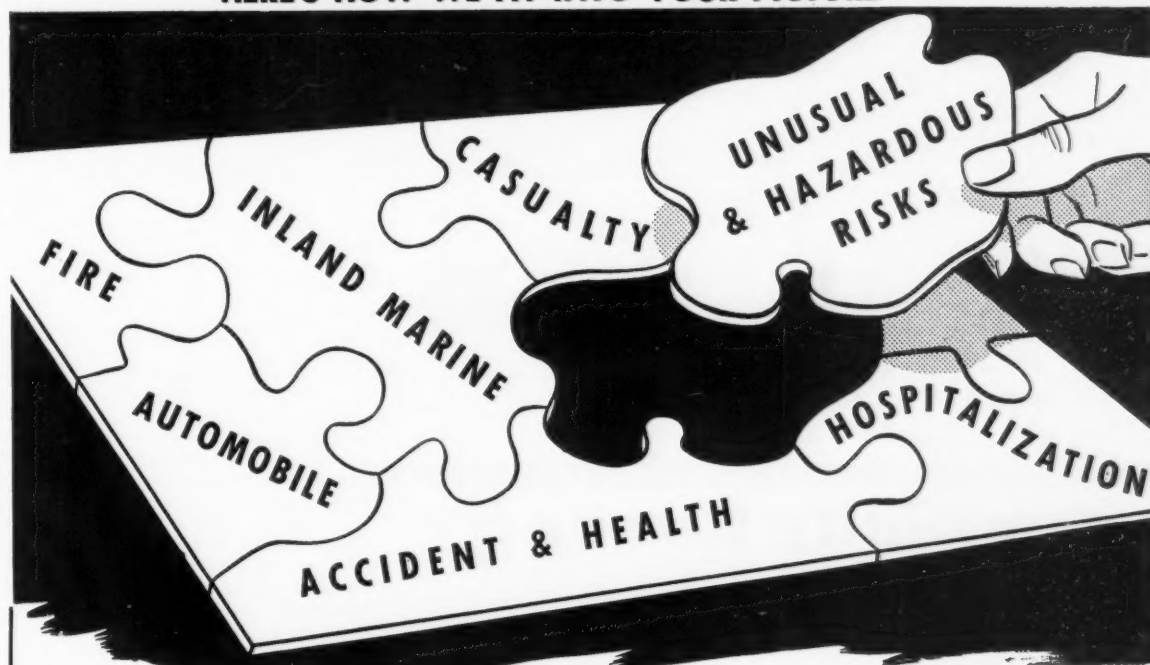
Seaboard Surety is opening a branch in Dallas and has appointed E. L. (Ned) Moore as manager. Mr. Moore has been assistant manager at Dallas of National Surety. He joined Loyalty group in 1937 at the home office and in 1940 went with National Surety. In 1941 he transferred to Texas for the latter company.

## Richmond Mutual Agents Elect

New officers of Richmond Mutual Agents Assn. are William B. Graham of Mutual Insurers, president; Harry R. James of Winters-James agency, vice-president; J. Dean McOskey of Service agency, secretary; William A. Spott Jr. of R. W. Throckmorton agency, treasurer; and Albert H. Campbell of Utica Mutual agency and Vernon C. Kibler of Kibler agency, directors.

association president, succeeding Julian White, Business Men's Assurance. Earl Poole was elected vice-president and J. R. Saxon, South National, Little Rock, secretary.

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- MALPRACTICE INSURANCE—ALL CLASSES
- PRIMARY & EXCESS PUBLIC LIABILITY & PROPERTY DAMAGE
- PERSONAL ACCIDENT INSURANCES—EXECUTIVES' TRAVEL, OVER AGE - WORLD WIDE
- WORKMEN'S COMPENSATION—EXCESS CATASTROPHE OR EXCESS AGGREGATE
- REINSURANCES ON INDIVIDUAL RISKS AS WELL AS TREATY BASIS
- AUTOMOBILE MATERIAL DAMAGE
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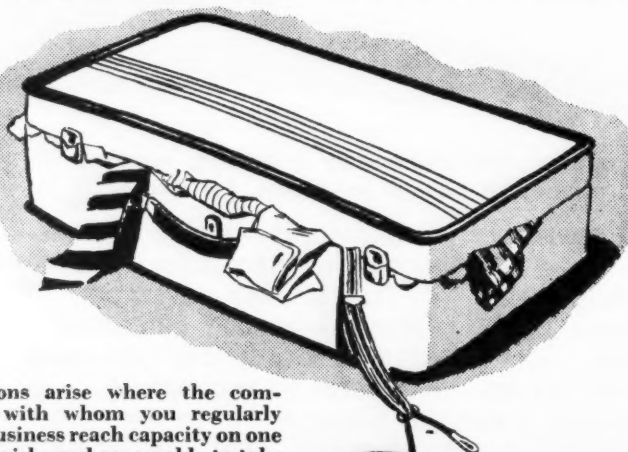
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## N. A. Elects Stitt V.P., Advances Others

Roy A. Stitt has been elected vice-president of the three companies of North America group.

William A. Francis, Myron W. Davenport, John Armstrong Jr., Louis O. Thames, Warren E. Taylor and Charles K. Cox were named assistant secretaries of North America and Philadelphia F&M. Marshall I. Groff was elected an assistant secretary of Indemnity of North America.

Mr. Stitt joined the indemnity company as claims manager at New York in 1946. He transferred to the home office and in 1949 became an assistant secretary. He was promoted to assistant vice-president of the indemnity company in 1951, and assistant vice-president of North America and Philadelphia F&M in 1953.

Mr. Francis joined North America as a student in 1936 and was successively a technical representative at Harrisburg in 1938, special agent at Chicago in 1946, and special representative at Philadelphia in 1950. He became administrative assistant in 1954.

Mr. Davenport also joined the group as a student, became a special agent at Indianapolis in 1943, and transferred to Chicago in 1950 as assistant manager. He went into the reinsurance department in 1952 and became deputy underwriter in 1953.

Mr. Armstrong joined the companies as an underwriter in the yacht department in 1945 and later transferred to the ocean marine department.

Mr. Thames went with the group in 1946 as a technical representative at New Orleans. He became assistant class underwriter at the home office in 1951 and deputy underwriter in 1954. He transferred to the administrative underwriting group at San Jose last month.

Mr. Taylor joined North America as a student in 1946 and became special agent in the Philadelphia metropolitan department. In 1948 he transferred to the reinsurance department and later became examiner, supervising examiner and deputy underwriter.

In 1946 Mr. Cox joined North America as a clerk in the staff department and became a methods analyst in 1947. He transferred to the inland marine department where he became assistant manager in 1952.

Mr. Groff went with the indemnity company in 1942 as an underwriter in the compensation and liability department. He became superintendent in 1948. In 1952 he became assistant manager of the home office service office and manager in 1954.

### Crotty Joins Ellis-Smith Agency

Willard Crotty, who has been operating his own agency at Dallas for two years, has joined Ellis-Smith & Co. as a partner.

Mr. Crotty is a former president of Dallas Assn. of Insurance Agents and

of the southwestern chapter of CPCU. He has been in the business for 15 years and in 1948 was chosen "Outstanding Young Man" of the city by the Dallas junior chamber of commerce.

## Glens Falls Opens New Multiple Line Office at Grand Rapids

Glens Falls group has opened a multiple line office in Grand Rapids in charge of J. Arthur Dain as manager. It will serve Glens Falls agents in southern and western Michigan.

Special Agent Charles M. Hesketh will be associated with Mr. Dain and will continue his operations from Jackson.

The territory assigned to the Grand Rapids office is being made a part of the central department, under the executive supervision of L. A. Kenney, secretary, Chicago.

Mr. Dain is a graduate of the home office advanced training course and has served as underwriter and special agent at Syracuse, N. Y., and manager of the companies' office at Plattsburg, N. Y.

Mr. Hesketh has served in the home office as fire underwriter and in the Michigan field for many years as special agent.

## Baloise Fire of Canada Formed by Swiss Parent

Baloise Fire of Switzerland has formed Baloise Fire of Canada with authorized capital of \$1 million of which \$500,000 is subscribed and paid together with a \$500,000 cash surplus paid in.

The Canadian company will take over the assets and liabilities in Canada of its parent and will have its head office at Toronto. Licensing arrangements in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Newfoundland are virtually completed. Initially Baloise Fire of Canada will transact fire and auto business.

A. H. Johnstone, who has been manager in Canada for Baloise of Switzerland, is president of the Canadian company.

## Says P. R. Misrepresented

Firemen's of Newark has answered a claim by the Puerto Rican government for \$124,000 insurance on 2,000 bags of coffee imported by the country's economic stabilization administration, by charging misrepresentation and falsehood, in the federal court at San Juan. The government claimed that the Dominican schooner Gilbert sank with the coffee after leaving Aruba last Nov. 2.

The company said in its answer that the schooner had not left Aruba with the insured coffee and it had not sunk with it. It charged that the coffee was actually to be shipped from Colombia, and that the coffee shipment to Puerto Rico violated export controls, customs and other Colombian legislation. If the insurer had known of this, it would not have insured the cargo, its answer stated.

## Geo. Brown & Sons Remodel

George F. Brown & Sons, special risk underwriters and national managers for Interstate Fire & Casualty, has completely remodeled its home office quarters in Chicago. The enlarged and modernized office provides another 5,000 square feet of working space.

## Opens New Calif. Claim Office

Northwestern Mutual Fire has opened a claim office at Van Nuys, Cal., with Victor Monk in charge, assisted by A. G. Kinney. Mr. Monk has been handling the Van Nuys area for Northwestern out of the Los Angeles office.



## Planes in Mid-Air Crash Worth \$650,000

A TWA Martin 202 and a DC-3 industrial aid plane, owned by Castleton Farms of Lexington, Ky., collided in mid-air two miles south of Cincinnati, crashed and burned, killing 15 persons.

The Martin, valued at \$500,000, was enroute from Greater Cincinnati airport, near Covington, Ky., to Cleveland via Dayton and Columbus with 10 passengers and three crew members. The DC-3, valued at about \$150,000, was enroute from Battle Creek, Mich., to Delray, Fla., via Lexington, Ky., where it was to pick up the owners, Mr. and Mrs. Frederick Van Lennep. Only the pilot and co-pilot were aboard.

Officials of Associated Aviation Underwriters, which insured the TWA plane, in checking newspaper photos of the crash area the day after the collision, were surprised to see David McLaughlin of the claim department on the scene three and a half hours after the crash. Mr. McLaughlin, whose headquarters are in New York City, was traveling in Illinois when the crash occurred shortly after 9 a.m., and he flew to Cincinnati, arriving there at 12:30 p.m. to start adjusting the loss.

## UJ Fund in N. J. Now Worth \$2,650,546

The New Jersey motor vehicle department has indicated there will be no assessment against car owners in the year starting April 1 for the unsatisfied judgment fund. The fund has assets of \$2,650,546, from special assessments levied in 1954 against all vehicle owners. Insured drivers were required to pay \$1 extra and uninsured drivers \$3 extra when they registered their vehicles.

The fund will be used to satisfy judgments against uninsured drivers without ability to pay, starting April 1, Gassert said. Such drivers will be ruled off the roads until they repay the fund, which may also be used to pay victims of hit-run drivers.

This year the fund will be supplemented by assessments against auto liability insurers which are expected to yield about \$4 million.

## Lumber Mutual Promotes Skillin and Eddy

Keith W. Skillin has been named agency supervisor for Lumber Mutual Fire of Boston. He has been with the company since 1947, starting as a field inspector and later serving as special agent in the middle Atlantic states until being recalled in 1953 to the home office.

Elmer B. Eddy has been appointed manager of the new southeastern department comprising the states of North and South Carolina, Georgia and Florida. It will have headquarters in Charlotte, N. C. Mr. Eddy joined Lumber Mutual in 1948 at the home office, and later was special agent in New York before going to the North and South Carolina fields.

## Propose Doubling Tax on Domestic N.C. Insurers

An increase of \$1 million a year in the tax on gross premiums of North Carolina insurers and a doubling of the license fees of insurance agents are among new proposals laid before the North Carolina assembly by Gov. Hodges and the advisory budget commission.

Domestic companies have paid a 1% gross premiums tax since 1947, when the assembly passed a law reducing the tax for them from the 2% rate which had prevailed, and at the same time increased the rate on out-of-state companies from 2% to 2.5%. The new propo-

posal would increase the domestic rate to 2.5%, thus putting the domestic companies on par with out of state companies. Gov. Hodges estimated this would bring in \$1,170,000 annually in new revenues.

The license fee for agents would be doubled to \$5 and would result in an estimated increase of \$172,195 in annual revenues.

The governor and advisory budget commission included in their appropriations recommendations a suggestion that the contribution to the state property fire insurance fund be reduced from \$300,000 annually to \$250,000.

## C. Z. Greenley in New Post

Casimir Z. Greenley has been appointed insurance manager of International Minerals & Chemical Corp. He has been for many years insurance and loss prevention manager of Montgomery Ward Co., and prior to that was safety director of U. S. Gypsum.

Mr. Greenley, who has conducted work shop seminars on corporate insurance management for American Management Assn., is the author of several articles dealing with corporate insurance, and industrial safety and fire prevention. He has been prominent in the affairs of Midwest Insurance Buyers Assn.

## Court Upholds Insurer in K. C. Flood Loss

U. S. district court of southern California held for Home in an action involving a \$162,000 loss in the Kansas City flood of 1951. Exchange Lemon Products Co. sought recovery of the value of citrus by-products destroyed in the flood while in the Crooks Terminal Warehouse in Kansas City. The Exchange contended that though a transportation policy excluded coverage of goods while in storage, in trade usage there existed a meaning for the term "in due course of transit" which permitted "transit storage" or "stoppage in transit" as distinguished from local or terminal storage. It argued that since its property was shipped in compliance with tariffs which permitted this privilege, it was covered by the policy.

The court pointed out, however, that the property had been maintained for nearly a year in storage in Kansas City awaiting further shipping orders. The court further held that the policy was unambiguous, that the goods were in storage and not covered by the policy. It dismissed the Exchange's argument

with respect to tariffs. On this point it stated that railway tariffs and the transit privilege provisions authorizing storage in transit are a part of the contract between the freight carrier and the shipper, but have nothing to do with contracts of insurance between shipper and insurer.

Thomas P. Menzies of Los Angeles appeared for Home, and Clayson, Stark & Rothrock of Corona, Cal. for the Exchange. (8 CCH Fire & Casualty 519.)

## American Auto Stock Split Approved by Stockholders

The two for one split of American Automobile stock which had been recommended by the directors was formally approved at a meeting of stockholders at St. Louis last week.

Directors at a special meeting this week will fix the date for exchange. It is expected to be set at Jan. 20.

Mrs. Romine Foster, who has been associated with Charles H. Westerman in the Westerman agency at Pittsford, N. Y., has purchased the agency. Mrs. Foster, a licensed agent, will be associated with her husband in the business.

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## One Key Alarm for Truck Protection

A new simple burglar alarm system for pick-up and delivery trucks has been introduced by Babaco Alarm Systems. It utilizes one key control and eliminates the need for a regular ignition lock and key, cab door key, and padlock or cargo door key.

The alarm not only prevents cargo pilferage and theft of entire truck loads, but it can save a minimum of a gallon of gasoline a day and it cuts

down on wear and tear of a motor often left running.

To install the lock, the special pick-proof lock and ignition switch are substituted for the truck's regular lock, switch and key. The same key used to turn off the alarm, which is constantly on the truck's body or cargo compartment, is also used to operate the parking protection feature, which prevents the vehicle from being towed or driven away, and the ignition.

Past presidents of Insurance Women of Kenosha were honored at a dinner party.

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## NAUA Changes in Ore., Wash., Nev. and Wis.

National Automobile Underwriters Assn. has revised rates and rules in Oregon, Nevada, Washington and Wisconsin.

In Oregon the reduction amounts to \$156,000 a year. Private passenger comprehensive and \$50 deductible collision are unchanged, but \$100 deductible is reduced 5.5%. Commercial local hauling fire, theft and comprehensive is reduced 3.5%. Commercial local hauling collision is reduced 7%. Commercial intermediate and long distance hauling fire, etc. is reduced 20%. Collision for these classes remain unchanged.

In Nevada private passenger comprehensive is reduced 5%, collision 10%. Commercial local hauling fire, etc. is reduced 1.5%, local hauling collision is increased 13.5%, intermediate and long hauling fire, etc. is reduced 18%, and collision for these classes remains unchanged.

In Washington the saving is an estimated \$800,000 a year. Private passenger comprehensive is reduced 9% in Seattle and Spokane, with no change elsewhere. The \$50 deductible is unchanged in Seattle and Spokane and is reduced 8% in balance of state. The \$100 deductible is reduced 3.5%.

Commercial local hauling fire, etc. is reduced 4.5%. Commercial local hauling collision is reduced 8.5%. Commercial intermediate and long distance fire, etc. is reduced 20%; collision for these classes remains unchanged.

In Wisconsin the saving is \$644,000 a year. Private passenger comprehensive is unchanged. The \$50 deductible collision is reduced 3% and \$100 deductible 8%. Farmers get a 20% collision reduction. Commercial local hauling fire, etc. is reduced 4%, collision 9.5%. Intermediate and long distance hauling fire, etc. is reduced 5%, collision remains unchanged.

### Nichols Visits Offices

The Chicago, San Francisco and Los Angeles offices of American Foreign Insurance Association are presently being visited by General Manager James O. Nichols, to strengthen the relationship between the New York head office and the midwest and west coast offices.

## Probe Asked of State Accident Fund in Mich.

LANSING, MICH.—The Michigan legislature on its opening day last week received a proposed resolution calling for investigation of the state accident fund which was created in 1912 when the first WC act was passed to provide insurance facilities for employees not wishing to patronize private carriers.

The resolution, offered in the house of representatives, would provide that a special three-member committee be set up to look into the operations of the fund to determine whether it is fulfilling its original purposes. Rep. Willard I. Bowerman, Jr., Lansing, who is one of the members offering the resolution, said he had "suspicions" that the fund, as now operated, is unnecessary and merely functions to serve as a state-owned competitor for private business. The fund at the end of 1953 when last complete records were available had 8,675 policyholders and assets of \$10,430,048.

According to K. F. Berger, assistant manager of the fund, because of an assigned risk plan the percentage of undesirable risks going to the state fund is no greater than that assigned to the 100 or more private companies writing compensation lines in the state.

Returned to chairmanship of the senate insurance committee was Leo H. Roy of Hancock.

The new committee also includes Frank Beadle, St. Clair; Haskell Nichols, Jackson; Clarence Graebner, Saginaw, and Edward H. Gibbs, Perkins. Mr. Graebner is an insurance agent and a member of the house of representatives of the last session. He replaces Alpheus P. Decker, Decker-ville, who did not seek reelection. The only Democrat on the new committee is Mr. Gibbs, who replaces Sen. Harold Ryan, Detroit, who is still in the senate. House committee selections have not yet been announced.

### Great American Honors Agent

C. E. O'Connor of Merrill agency of Palatka, Fla., was presented a silver pitcher in recognition of 25 years of continuous representation of Great American group. The presentation was made by Thomas D. Merquelin, special agent, of Jacksonville.

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## Murphy Takes America Fore Law Post, Roleke Named General Counsel

Herbert G. Roleke has been named general counsel and Joseph F. Murphy counsel, of America Fore group. Mr. Roleke joined the group in 1928 in the bond claim department of Fidelity & Casualty, and in 1944 was named assistant counsel of the group and counsel in 1954.

Mr. Murphy entered insurance in 1938 as a claim attorney with American Lumbermens Mutual. After military service, he became assistant general counsel of Kemper Cos., and later eastern counsel. In 1952 he was appointed deputy superintendent of New York insurance department. In that position he was the hearing officer in the case of New York Fire Insurance Rating Org., vs North America. The decision in that case was recently upheld by the court of appeals of New York.



Joseph F. Murphy

## Bartlett Promoted by London Guarantee

Pace W. Bartlett has been promoted to assistant manager of the credit insurance department of London Guarantee. He joined Phoenix of London group as fire and casualty field representative in the metropolitan district of San Francisco. In 1949 he transferred to the group's home office as superintendent of agencies and he joined the credit insurance department in 1952.

## Hooper-Holmes Bureau Elects J. J. Wilson V-P

James J. Wilson has been elected a vice-president of Hooper-Holmes Bureau. He has been with the organization since 1925, for the past 17 years in the sales department. In 1949 he was promoted to division sales manager for the metropolitan New York division. Before joining Hooper-Holmes, Mr. Wilson was with American Surety. He is a past president of the bureau's Quarter Century Club.

## Liberty Mutual Cited in Loan Suit

Liberty Mutual, which issued a bond to cover a \$23,000 loan to the former operator of a construction company, is a defendant in a suit brought by

Rustam K. Kermani for recovery of the money. Kermani, who is president of Van Heusen Charles Co., says he loaned the \$23,000 to Alden F. Boure, whose B. & A. Construction Co. now is defunct. The suit is being heard before an official referee in Albany.

## North America to Open Tampa Office

The new Tampa service office of North America companies at 303 Memorial highway, will be opened formally Feb. 3 with special ceremonies attended by a group of officials from the home office and local civic and business leaders.

Planning to attend from Philadelphia are Ludwig C. Lewis, senior vice-president; Charles F. Littlepage, Richard G. Osgood, H. Richard Heilman, vice-presidents; Fred C. Clement Jr., assistant vice-president, and Richard Light, agency superintendent, of North America; and Reginald S. Robins, vice-president; W. Edgar Kipp, accident secretary; and Richard E. Miller, assistant secretary of the indemnity affiliate.

S. Duke Pearson is manager of the Tampa office.

The new office will occupy a new building erected and leased to them by Ben J. Massell Co., of Atlanta. The modern, one story building is of masonry construction, air-conditioned and has off-street parking facilities.

The service office will provide complete property and casualty insurance and claim facilities for the companies' agents in western Florida.

## Cut Compulsory Auto Rates in Saskatchewan; Voice Pretty Words for System

Decreases averaging 25% for premiums on private passenger cars insured under the compulsory automobile insurance act of Saskatchewan have been announced. The insurance is in the government owned and operated Saskatchewan Government Insurance Office.

C. M. Fines, who is in charge of the insurance activity, said the deficit in the insurance fund at the beginning of 1954 exceeded \$1,800,000, but this has been wiped out and replaced with a surplus of more than \$250,000.

New classifications have been made, and some of the premium decreases will be as much as 60%. Mr. Fines attributed the reduction to a decrease in accident frequency, and in announcing the change in rates took the occasion to refute some of the criticisms directed at the compulsory idea.

To the argument that private companies should be allowed to compete with the provincial government, Mr.

Fines said collection costs for license insurance amount to less than three cents for every dollar of premium, and a huge volume of business allows for economies in administration. "If other companies sold public liability and property damage insurance, such as is provided under the act, they would have to pay commissions and incur other selling costs which would amount to at least 20 cents on every dollar. Adjusting costs would go up because of the multiplicity of adjusting firms. The increased costs would

force the public to pay many times as much again for their insurance if the license insurance were sold privately."

He also defended the compulsory sale of collision coverage, explaining that hundreds of claims are paid each year under collision "which would be the subject of property damage claims if collision coverage were not an integral part of the plan. Property damage claims would rise if collision were taken out and would provide a field day for lawyers for which the public would pay."

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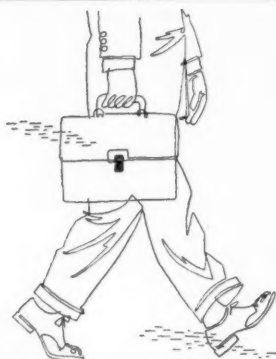
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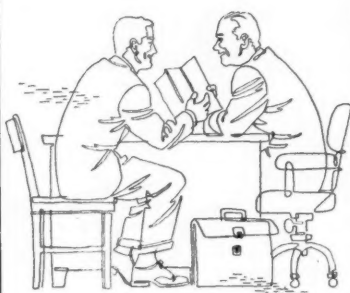
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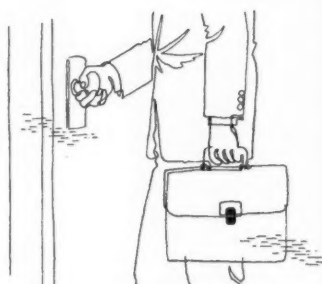
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## Handley, Williams, Young Advanced by Hartford Accident

Frank P. Handley and Harry V. Williams have been elected vice-presidents of Hartford Accident. Ronald E. Young, secretary of Hartford Fire was elected also a secretary of Hartford Accident.

Mr. Handley has been with Hartford Accident since 1917, in the automobile department, and as superintendent since 1936. In 1937 he was elected assistant secretary and in 1948 secretary. He will have duties of a general administrative nature. He has been active in the National Bureau as a member of the automobile rating committee. He was chairman of the Manchester (Conn.) town planning commission 1949-1952.

Mr. Williams, graduate of Wharton School, joined National Council on Compensation Insurance and became statistician. In 1939 he went with Hartford Accident as a member of the rating and research department, of which he was appointed superintendent in 1944. He was elected assistant secretary in 1945 and secretary in 1950. He is a fellow of Casualty Actuarial Society.

Mr. Young joined the organization in 1936 at the home office. He served as a special agent, and after war service returned to office management work at the home office. In 1950 he was elected assistant secretary of Hartford Fire, in 1953 secretary.

## N. Y. Bills Include Auto Compensation Proposal

Among bills introduced in the New York legislature is one to create a commission to study the need of a compensation plan for the payment of persons injured in motor vehicle accidents. A compulsory automobile insurance bill has been introduced in both the senate and the house, requiring proof of financial responsibility before an owner may register a motor vehicle.

Sen. Zaretzki introduced in that house both the compulsory and the compensation measures.

Assemblyman Younglove has introduced a bill which would amend the vehicle and traffic law requiring that auto owners have proof of financial

responsibility and providing for fines and/or imprisonment for failure to do so. This basically resembles the proposal made before the Republican platform committee by Joseph P. Craugh of Utica Mutual.

## Orr Retires As USAU Claim Head, Whitehead Named Successor

George W. Orr, director of the central claims office of U. S. Aviation Underwriters has retired and George I. Whitehead succeeds him. Robert A. McLarty becomes first assistant director, John F. Gallagher, second assistant director and Viola E. Patterson claims supervisor.

Mr. Orr's retirement marks the end of a long association with law, aviation and aviation insurance claims. He has been director of claims of the USAU since 1938, and has supervised the processing of approximately 110,000 casualty claims involving payment of more than \$27 million.

Mr. Whitehead has been assistant director of claims since 1946. Mr. McLarty joined the USAU in 1946 and Mr. Gallagher in 1952. Miss Patterson has been with the USAU central claims office during two periods, the first beginning 1938 and the second in 1952.

## Fla. Assn. To Discuss Dwelling Forms, Bills

Florida Assn. of Insurance Agents will hold two series of district meetings of nine meetings each to discuss the new dwelling forms and the association's legislative program which will be taken before the legislature when it convenes in April.

The first series is sponsored by the association in cooperation with Florida Field Conference, and the second by Commissioner Larson and the insurance department. Legislators will be asked to attend the second series.

## Industrial Indemnity Names Shields Vice-President

James G. Shields Jr. has been named vice-president of Industrial Indemnity. He will supervise divisional operations and continue to manage the home office methods and planning staff.

Vice-president Charles W. Schiebel will continue to direct activities in southern California from Los Angeles.

Mr. Shields joined Industrial in 1946 as a member of the treasurer's staff. Later he became manager of the research and audit unit, and in 1950 was appointed assistant division manager at San Francisco. He returned to the home office as manager of methods and planning in 1953.

He is graduate of University of California law school and is a navy veteran.

## Parisi Succeeds Donlon

Governor Harriman of New York has appointed Angela R. Parisi of Brooklyn as chairman of New York state workmen's compensation board to succeed Miss Mary Donlon. Miss Parisi is a lawyer and has handled considerable insurance work. She taught liability insurance at Brooklyn College and is a member of the insurance committee of Brooklyn Bar Assn. She is married to Leo Luison, also an attorney.

## Wins Landscaping Award

National of Hartford group was awarded the national plant America award for achievement in industrial landscaping and beautification for its home office plantings. The work was done by Peter Cascio Nursery of West Hartford, Conn.

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## Coercion Is Subterfuge to Skirt Usury Law, Kansas Judge Decides

In a test case brought by the attorney general of Kansas against an alleged loan shark operation, Judge Miller in Wyandotte county district court ruled that requiring borrowers to buy excessive amounts of credit insurance to obtain loans from small loan firms is a subterfuge to evade the state's 10% usury law.

Attorney General Fatzer had charged that fees made by New Way Co. of Kansas City, Kan., for a three-month \$25 loan included premiums for \$750 in death benefits and a monthly indemnity of \$30 as well as interest on the \$25 which amounted to \$34.20 a year. He called abuse of the insurance requirements on small loans a racket and asked for an injunction against the Kansas City firm as a common nuisance.

Judge Miller rejected a demurrer by the defendants, who had contended that the state had not stated a cause of action and that the insurance premiums were not interest.

"It is difficult to rationally explain the above actions, if true," Judge Miller declared, "on any other basis than the insurance was required for the primary, if not the sole, purpose of exacting an additional charge for the loan, and that the amount of the insurance required was determined with an eye toward the amount of the first quarterly premium to be retained by the lender."

One of the judge's findings was that the defendant lender received 75% of the first quarterly premium on all insurance written.

Other defendants, besides New Way Co., were P. H. Molitor of Denver, who operates a chain of small loan firms; Richard Molitor, manager of the Kansas City firm; Cecil C. Duck Jr., an employee; Ben Wargon, listed as an operator of a Denver insurance agency, and Sam Freedman, listed as a Wichita insurance agent.

Other charges made by Fatzer were that 85% of the credit insurance premiums were retained by one of the Molitors and Wargon as commissions and 15% was sent to Continental Casualty and Transportation of Chicago.

Other findings by Judge Miller were that purchase of the credit insurance was required as a condition precedent to obtaining a loan, that the insurance was not related in any way as a security transaction in that its amount far exceeded the amount of the loan, and that new policies were required on all renewals and new loans, even though the previous insurance had not expired.

Organizations that filed briefs as friends of the court included several national credit insurance companies, Kansas State Industrial Union Council (CIO) and Kansas Assn. of Finance Companies. The last noted disapproval of the practices described by the attorney general.

## MV Chiefs' Committee Asks 10/20/5 Minimum

The committee on financial responsibility of American Assn. of Motor Vehicle Administrator's has recommended that the association's uniform code be amended to increase minimum requirements for automobile insurance to 10/20/5.

It also recommended that the association ask assistance from the insur-

ance business in preparation of resolution and power of attorney forms suitable for adoption by all jurisdictions and applying to insurers not licensed nation-wide.

The committee would have reciprocity concerning suspension of licenses, as provided in the code, adopted by all member states. It suggested establishment of a workshop to prepare a final draft of a procedural manual for administration of the financial responsibility portion of the code. All administrators would be invited to participate.

## On FCIC Committee

In addition to Milton W. Mays, secretary of America Fore, and Charles W. Tye, Joseph Froggatt & Co., Thomas F. Malone is a member of the new five-man committee named by Secretary of Agriculture Benson to advise officials of Federal Crop Insurance Corp. Mr. Malone, presently at Massachusetts Institute of Technology, recently was named to head the weather service at Travelers in Hartford.

## Bill in Congress to Even Taxes

Rep. Mason of Illinois has introduced a bill in Congress to equalize taxation of mutual and stock insurers except life.

## Council of Educators to Guide CLU, CPCU Studies Is Organized

An advisory group of nine university business teachers has been formed to assist in planning CLU and CPCU educational programs. Organization of the group, Council of Educational Advisers, was announced by Dr. Davis W. Gregg, president of American College of Life Underwriters, and Dr. Harry J. Loman, dean of American Institute for Property & Liability Underwriters. It has received high praise from Dr. S. S. Huebner, president emeritus of American College and chairman of American Institute.

Chairman of the council is Dr. Leslie J. Buchan, professor of accounting of Washington University. He is former vice-chancellor and dean of the school of business of the university.

Council members are Laurence J. Ackerman, dean of the school of business administration of University of Connecticut; Leonard H. Axe, dean of the school of business of University of Kansas; Edison L. Bowers, chairman of the department of economics in the

college of commerce and administration of Ohio State University; Horace B. Brown Jr., dean of the college of B.A. of University of Oklahoma; Cecil Puckett, dean of the college of B.A. of University of Denver; Gordon Siefkin, dean of the school of B.A. of Emory University; Stanley F. Teele, associate dean of the graduate school of B.A. of Harvard University, and Stephen W. Vasquez, dean of the school of commerce and finance of St. Louis University.

## Enjoins Tenn. Auto Assn.

Commissioner Northington of Tennessee has secured an injunction in Davidson county chancery court against Mutual Automobile Association, in operation in Davidson and adjoining counties for two years, on charges that the association is operating as an insurance company without certificate of authority, has made no deposit for protection of contract holders, and is without qualifying agents. However, James G. Sharp, head of the association, claims the business "is not an insurance company, but is a service and protection company similar to other auto clubs operating in Tennessee and throughout the south." Date for a hearing has not been set.

## "Ever had a \$200,000 sale?"

Asks Ray Dooney (left), of Leaming & Dooney, Philadelphia, pictured with Prudential's Clair Carlin.



"We can't tell you how highly we think of Prudential's Life Department. Our experience with life sales has been limited. But recently with the help of a Prudential Brokerage Manager, we did an estate planning case that resulted in the sale of \$200,000 Preferred Whole Life. This is only one example of the kind of help we get from Prudential's excellent brokerage service. And even with all this help, we still get the full commission."

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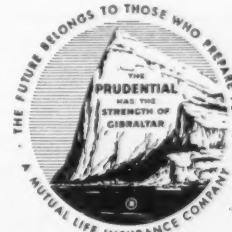
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1875 - Protecting the Family - 1955

## EDITORIAL COMMENT

### The Wonderful Statute of New York State

*Great is the statute of New York state:  
It specifies just how to operate.  
And should an insurer get too independent,  
Down comes the thumb of the superintendent.  
If his judgment is wrong the courts can't review it  
Unless it says right in the law they can do it.  
He's presumed to know more than the board of directors,  
Officials, consultants, and building inspectors.  
But how could a state lure a man so omniscient,  
So versatile, wise and in all things proficient?  
What state could expect its allure to be heeded?  
For running the universe he would be needed.*

Well, sir, the more you think about it, the crazier it seems. We refer, of course, to the non-reviewability of the New York insurance superintendent's actions under a large part of the insurance code. This non-reviewability was upheld by New York's highest court, which said Superintendent Bohlinger's decision that Guardian Life didn't need and therefore mustn't use a certain tract of land for home office purposes couldn't be challenged in court on its merits.

The court of appeals said, in effect, that in the light of the code's language and the discussion that led up to its enactment, it was clearly the legislature's intent that only those classes of determinations specified in the law as being reviewable should be subject to judicial review. Otherwise, the courts would only interest themselves to the extent of making sure the superintendent was not refusing a review on something that actually was reviewable and was adhering to the standards set forth in the statute.

The court said that for those who didn't like the non-reviewability feature of the law, the legislature was the place to seek relief, not the courts. Such relief, we believe, should be sought and we hope it will be obtained, for the court's decision enlarges and strengthens the already great power of the department to inject itself into management functions. The law has been bad enough on that score without reading into it any additional strangleholds, which is what the court of appeals has done.

If the companies subject to the New York law are to grow and increase their service to the public as they rightly should, they need to be made increasingly free from the outmoded shackles of New York's punitive Armstrong laws. Dynamic management should be encouraged. It should not be circumscribed by decisions of an insurance superintendent

who cannot possibly be all the different kinds of an expert that the law requires him to be.

Granting that the court of appeals made a valid (though hardly novel) suggestion on how to get relief, it seems to have reached a curious conclusion in another part of its opinion. Though saying it would not review the Guardian case on its merits, the court actually did so. It did this by saying that the superintendent did make his determination with the legislative standard ("requisite for its convenient accommodation in the transaction of its business") in mind and that "he made findings necessarily leading to the conclusion that the purchase was not required for the convenient accommodation of the company's business."

Unfortunately, the court based its opinion of these findings in part at least on information that was factually wrong on the key point of whether Guardian knew what it was about or whether as the court said in its opinion, "Guardian's plans were most uncertain and indefinite . . . and its home office building and adjoining properties—in which the possibilities for expansion had not even been explored—provided adequate space and facilities."

However, some of the "facts" most vital to the court's contention that Guardian's attitude was marked by "indecision and uncertainty" and that its plans were "most uncertain and indefinite" were just plain wrong. These erroneous "facts" were advanced by the assistant attorney-general who represented the superintendent. The court evidently relied on them, despite unimpeachable evidence that they were incorrect. For the sake of its own high reputation, it would seem that the court would want to rectify a decision based on facts which were not facts at all.

Entirely aside from the question of Guardian's sureness of purpose, the

court seems to have overlooked the background of the provision of the statute that requires the superintendent's approval for the purchase of property for home office use or "as shall be requisite for its convenient accommodation in the transaction of its business." In the pre-Armstrong days, purchase of land, ostensibly for home office use or some other company function, was sometimes marked by lack of wisdom in the purchase or in the use or disposition made of the property.

The purpose of the approval requirement was to make sure that land bought for the purpose stated was actually going to be used for that purpose. Moreover, it would be a strained use of the word "requisite" to consider it synonymous with "absolutely vital to" and therefore to say that if a company could conceivably get along without a property that it considered "requisite" to the convenient accommodation in the transaction of its business the superintendent had a right to disapprove it.

## PERSONALS

**J. H. Rohrer**, Springfield, O., agency vice-president Guarantee Mutual, presented the Alert Youth Award of National Assn. of Mutual Insurance Agents to Ronald Cole of Springfield recently, the event being televised over TV station WHIO of Dayton. The 15 year old orphan boy noticed a fire in his neighborhood, broke in and rescued five small children who were alone in the house. Mr. Rohrer recommended him for the award. M. J. French, vice-president, and W. J. Minnick, accountant of Guarantee Mutual, also took part in the ceremony.

**Frederick E. Jones**, president of Buckeye Union group, has been elected president of the Columbus Baseball Club, a group he was instrumental in forming after the city lost its entry in the American association. The new team will play in the International league.

**Irving Williams**, editor emeritus of *Rough Notes*, is seriously ill at his home at 2434 Broadway, Indianapolis.

**Ralph B. Smith**, assistant manager at Hartford of Fidelity & Deposit, has completed 25 years with the company. He was an underwriter in the Boston branch before his appointment as assistant manager at Hartford in 1948.

**Robert J. Allen**, chief traffic engineer of Assn. of Casualty & Surety Cos., and director of field services of insurance industry committee on motor vehicle accidents, has been appointed to the committee on attitudes of the

traffic court school recently established in New York City.

**Rogers W. Troxell**, Springfield, treasurer of Illinois Assn. of Insurance Agents, was elected president of Boys Farm Foundation.

**A. L. Kirkpatrick**, manager of the U. S. Chamber of Commerce insurance department, attended the celebration of the 100th anniversary of El Iris, a mutual fire company of Havana, Cuba.

## DEATHS

**HERMAN C. WOLFF**, founder and president of the agency bearing his



Herman C. Wolff

name, one of the largest in Indianapolis, died at his home there. He started the agency in 1912 after graduation from Wabash college with Phi Beta Kappa honors and attending Harvard law school. Mr. Wolff was president of Indiana Assn. of Insurance Agents in 1944 and again in 1945 and was state national director for the association in '46-'47. He was also on the executive board of the National association in 1950 and at one time was vice-president. He was also a past president of Indianapolis Insurance Board. During World War I he was a captain with the 89th division, serving at the front with some of the first American troops that went to France. Only 32 of his company of 250 survived. Mr. Wolff took a leading part in the political and community life of Indianapolis.

**JOHN L. REAMS**, 72, who retired in 1947 as Rocky Mountain manager of American of Newark, died at Denver of a heart attack.

Mr. Reams started his insurance career with Mountain States Inspection Bureau in 1912, and three years later became field man in the mountain territory for Scottish Union. He joined American in 1929. He was a life member of the Blue Goose.

**B. T. RADCLIFFE**, 76, head of the Beard & Radcliffe agency at Shelbyville, Ky., died there. He had been in insurance since 1925, and joined the Beard & Radcliffe agency in 1927.

**DAVID J. MAIN**, 72, president of Standart & Main, Denver general agency, died there. He was captain of the Dartmouth College football team in 1905.

**GEORGE S. DENTON**, 50, insurance and real estate officer of National Savings & Trust Co., Washington, D. C. died there. He was formerly treasurer

### The NATIONAL UNDERWRITER

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**SAN FRANCISCO 4, CAL.**—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054, F. W. Bland, Pacific Coast Manager.



of District of Columbia Assn. of Insurance Agents.

**ARTHUR O. AMOS**, 72, prominent Los Angeles agent representing several major companies, died at his home there.

**WINFRED H. BAILEY**, 74, former examiner with the Iowa insurance department, died at Veterans hospital in Des Moines. He had been in ill health for several years. He retired last April after serving as an examiner more than 20 years.

**WALTER A. WINDIATE**, 58, president of the Windiate-Pierce-Davison agency at Flint, Mich., died there. He had been with the agency for 25 years, becoming president six months ago.

**BURTON C. FOSMIRE**, 77, Spencerport, N. Y., local agent, died there after a brief illness.

**EUGENE POWDERMAKER**, 59, New York City broker who headed his own firm, died. He was 59. He served in an advisory capacity to the war shipping administration in the first world war and formed Powdermaker & Co., brokers and average adjusters, in 1948.

**ROBERT M. HENRY**, 58, vice-president of the Henry & Hardesty agency of Claremont, W. Va., died in Fairmont General hospital after a coronary attack in his home. Mr. Henry, who had been in the insurance business for 30 years, had been vice-president of Henry & Hardesty since 1933.

**PHILIP F. HINTON**, 75, Akron, O., local agent, died there.

**ROBERT N. LA POINTE**, president of Farmers Mutual of Lenawee county (Mich.) for 30 years, died. He would have been 90 years old had he lived another day.

**GEORGE W. LOCKWOOD**, 82, who was with Frank Gair Macomber general agency at Boston since 1891, died in Newton, Mass. He retired in 1953.

**HARRY E. SHEKELTON**, a former broker with the Kern agency at St. Louis, died at his home in Fort Lauderdale, Fla., where he had been living since his retirement two years ago. He was 66.

**LOUISE M. HENDRICKSON**, 71, wife of Charles U. Hendrickson, retired state agent for Home at Omaha, died after a long illness. She was a daughter of the late E. D. Marr, former Nebraska state agent for New York Underwriters.

**J. F. KUMPF**, 60, local agent at Conrad, Mont., and president of Farmers State Bank there, died. He was president of Montana Bankers Assn.

**CLEO GARRETT**, 53, local agent at Steele, Mo., died there after a short illness.

**THEODORE C. KEDZERSKI**, 48, local agent of Holyoke, Mass., died there.

**WILLIAM R. WOOD**, 79, insurance broker, died at his home in Los Angeles.

## Card Set for Joint Meet of A&H Bureau, Conference in Chicago

For the first time, Bureau of A&H Underwriters and H&A Underwriters Conference will stage jointly their annual group meetings. The event will be at Chicago Feb. 7-9.

George E. Light, Travelers, is in charge of committees for the bureau, and George R. Jordan, Republic National Life, for the conference.

Opening the convention will be talks by John P. Hanna, managing director of the conference; J. W. Scherr Jr., executive vice-president of Inter-Ocean and conference president, and Mr. Light.

Others scheduled for the first session are J. E. Hellgren, Lumbermens Mutual Casualty; A. M. Browning, New

York Life, and Henry S. Beers, vice-president of Aetna Life.

After a luncheon there will be two panel discussions, with Mr. Jordan in charge. J. M. Rodemeir, Continental Assurance, and T. A. Watson, Lincoln National Life, will participate in the session on company organization for sales and service, and Emil E. Brill, vice-president of General American Life, and T. S. Baldwin, T. P. Coyle and R. I. Finnell of Mutual Benefit H&A, will review training of sales and service men.

A series of 10 workshops have been planned each day and those attending may participate in those of special personal interest. Discussion leaders are:

A. S. Beebe, Paul Revere Life; Darrell O. Smith, vice-president of American Casualty; J. S. Crosby, Travelers; C. R. Miles, Lumbermens Mutual.

Also, R. C. Knoblock, Washington National; A. M. McCarthy, American Mutual Liability; Arthur Cade, Old Republic Credit Life; J. S. Preston, Connecticut General; T. W. Swann, Pilot Life; Charles G. Hill, Massachusetts Mutual Life.

Other workshop leaders will be J. Chartrand of United States Life; E. H. Marshall, Indemnity of North America; S. L. Horman, Time; J. W. Crews, Benefit Assn. of Railway Employees; Norman C. Morrison of Federated Mutual Implement & Hardware.

Also, Rudolph Ellis of Union Labor Life; Stefan Hansen of Great-West Life; J. Bevan of Liberty Mutual; A. B. Halverson, Occidental Life, and Fred W. Clark of Lincoln National Life.

Frederick T. Googins of Massachusetts Mutual Life will speak after the workshop period the first morning. A highlight of the luncheon that day will be the appearance of Bob Considine, news commentator and columnist. A. W. Randall, Mutual Benefit H&A, will preside.

M. D. Miller of Equitable will preside at the general session that afternoon. Speakers will be A. G. Weaver, John Hancock; D. W. Pettingill, Aetna Life; Alan M. Thaler, Prudential; A. Howard Hotson, Zurich General, and C. S. Lembeck, Continental Casualty.

A two-part discussion of major medical will be the last item on the agenda. Edmund B. Whittaker, vice-president of Prudential, will review the past and present of the subject, and A. M. Wilson, Liberty Mutual, will give his views on the future.

## Resolute Jensen Stand Thwarts S. G. & F. Expansion

Thanks to the resolute stand taken by Insurance Commissioner A. J. Jensen, the Saskatchewan government has given up its attempt to get a toe-hold in North Dakota for its wholly-owned insurer—Saskatchewan Guarantee & Fidelity. On the returnable date of the writ in the circuit court at Bismarck to compel Mr. Jensen to license S. G. & F., a stipulation was entered into whereunder Saskatchewan withdrew its suit without prejudice. The agency leaders and others that are fighting against the importation of this brand of insurance socialism are giving the lion's share of the credit for the North Dakota victory to Mr. Jensen.

It is believed that S. G. & F. wanted a sure and unchallenged seat in at least one state so as to qualify for surplus line and reinsurance operations throughout the U. S. This insurance facade for the Saskatchewan government did manage to get licensed in Montana, but it is facing ouster proceedings there. Accordingly the theory is that they decided to try for a more secure port of entry and aimed at North Dakota. However, they didn't reckon with Mr. Jensen.

The Saskatchewanians filed for admission in North Dakota last fall. Active in their behalf was Vernon Haven of Stillwater, Mont., the main U. S. representative of S. G. & F., and Attorney Deus of Fargo. Mr. Jensen went up to see for himself. Reportedly he was confused. He is said to have been bewildered by the labyrinth of reinsurance transactions entered into all over the world by S. G. & F.

S. G. & F. was anxious to get licensed by Dec. 31 and continuous pressure was exerted to accomplish that end. But Mr. Jensen stood his ground and during the holidays officially denied them admittance to the state.

Insurance leaders in North Dakota had a strong hunch that among other things the Saskatchewanians were intending to make a strong bid for the reinsurance of the North Dakota state hail and fire insurance funds. They might have been able to make quite an argument that to be consis-

(CONTINUED ON PAGE 32)

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.

135 S. LaSalle St., Chicago, Jan. 18, 1955

Div.	Bid	Asked
Aetna Casualty	3.00*	187
Aetna Fire	2.40	89½
Aetna Life	2.25*	167
Agricultural	1.60	36½
American Equitable	1.70	36½
American Auto	2.00	61
American, (N. J.)	1.20	33½
American Motorists	.24	14½
American Surety	3.00	78½
Boston	1.40	40
Camden Fire	1.15*	29
Continental Casualty	1.40	93
Crum & Forster com	1.80	65
Federal	.70*	35½
Fire Association	2.20	52
Fireman's Fund	1.35	70½
Firemen's, (N. J.)	1.05	39½
General Reinsurance	1.80	45½
Glens Falls	2.00	75½
Globe & Republic	.90	21½
Great American Fire	1.50	42½
Hartford Fire	3.00	191
Hanover Fire	1.80	47
Home (N. Y.)	2.00	45
Ins. Co of No. America	2.50	104
Maryland Casualty	1.40	42
Mass. Bonding	1.50*	33½
National Casualty	1.50*	42
National Fire	3.00	97
National Union	2.00	46
New Amsterdam Cas.	1.65	58½
New Hampshire	2.00	47
North River	1.40	36
Ohio Casualty	1.20*	75
Phoenix Conn.	3.40	87
Prov. Wash.	1.40	29
St. Paul F. & M.	1.00	50
Security, Conn.	1.60	44
Springfield F. & M.	2.00	56½
Standard Accident	1.80	69½
Travelers	19.00*	1890
U. S. F. & G.	2.00	91
U. S. Fire	1.80	49½

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**T**he parent company of the Yorkshire Insurance Company of New York was established in York, England, in 1824.

Prior to that time the name YORKSHIRE had become a part of history in the New World.

The drawing above is reproduced from a mural appearing in the Old Court House of Mineola, New York. This depicts a scene in 1665 when the English Governor, Nicolls, introduced the code of laws known as the Duke's Laws after the Duke of York. Under these laws, Long Island, Staten Island and a part of Westchester were known as YORKSHIRE.



## Two Rulings on 'Death from Accidental Means,'

Overruling the trial court and sustaining Inter-Ocean Ins. Co.'s appeal, the Georgia court of appeals held that death from accidental means "directly and independently of all other causes" eliminates death due to an accident-caused flare-up of pre-existing disease.

The insured's leg was broken in an automobile accident. The injury caused a recurrence of a gall bladder condition which led to his death. The court ruled that the death was caused or contributed to wholly or partially by disease, and for such a death the company was not liable to pay accidental death benefits (1 CCH Life A&H 1119).

Another ruling on death resulting directly and wholly from accidental means has been stated by the federal court of appeals for the fourth circuit in its decision against an appeal by John Hancock.

The insured fell from a pier into the Potomac, swam about 40 feet, and was drowned. A post mortem showed that death was due to drowning, but it also showed a diseased condition of the heart and arteries and gave indication that the insured had suffered a coronary attack. In approving the decision of the lower court, the court of appeals quoted, "Admittedly accidental, decedent's headlong pitch in the darkness into a sudden and desperate battle for his life against frigid waters of channel depth, while weighted down with heavy winter clothing, was so predominantly and overwhelmingly the cause of his death as to render his heart ailment a mere circumstance" (1 CCH Life A&H 1130).

## Cal. UCD Opinion Backs Insurers' Views: Leavy

(CONTINUED FROM PAGE 6)

ment. Mr. Leavy asserted that this erroneous attitude has been fostered by some department of employment personnel in an attempt to convert the state disability act into a state monopoly. He contends the attorney-general's opinion strikes down this notion, and in effect holds that the subject is a proper one for legislative action if the formula, after adequate factual review, seems to be inadequate either as applied to the state fund or to private insurers.

The attorney-general's opinion also

holds that the original "kitty" set up by the legislature in 1946 on passage of the UCD act involved such complexities that he is not able to advise as to whether the money can be used only for disability insurance or whether it also may be used for unemployment insurance.

The attorney-general suggests clarifying legislation be adopted. Since \$103 million, plus approximately \$18 million of interest, is involved, the opinion is being reviewed with great interest.

The opinion comes as one in developing series of actions in which private insurers are fighting a continuously difficult battle with the state fund. The latter does not pay any taxes nor have any acquisition costs. Representatives of private insurers point out these two items alone represent an outlay of 13% or more of their total premiums.

Recently California federation of labor asked that benefits under the act be increased to \$50 a week for all groups. The original benefits were \$20 per week. The premium has not been increased over the original 1% on the first \$3,000 of wages.

## Seek to Give Trained Young Drivers a Break in Texas

The Texas department is studying statistics to determine if there is a possibility of providing lower automobile insurance rates for young drivers completing adequate driver training courses. Most of the material under consideration was assembled by Texas Safety Assn.

## Tierney Returns to Travelers Press Unit

John W. Tierney of West Hartford, Conn., who has been special assistant to Gov. Lodge, has returned to Travelers as head of the press and public relations unit of the public information and advertising department. He held a similar position with the company before joining Gov. Lodge.

## Burke of N. A. Retires

Patrick F. Burke, vice-president of Indemnity of North America, is retiring and was honored at a dinner by fellow officers of North America companies in Philadelphia. John A. Diebold, president of the companies, presided at the dinner and presented Mr. Burke with an antique grandfather clock on behalf of his associates.

Mr. Burke, who is retiring at his own request after 22 years service, joined Indemnity of N. A. in 1933 as vice-president in charge of the casualty claims department. Previously he was an executive in the casualty claims division of Travelers.

## Bammert to Teaching Post

Vincent H. Bammert, assistant deputy commissioner of Washington, has resigned to become head of the insurance department at Seattle University.

Mr. Bammert attended St. Martin's college, the University of Washington and Seattle University. He has been with the department for four years, first as an examiner at Seattle and later as assistant deputy at Olympia. He now becomes assistant professor in the school of commerce and finance at Seattle University, as well as head of the insurance department.

## New Knoxville Agency

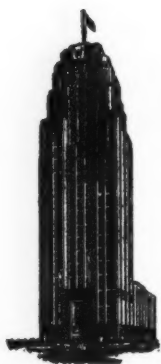
The recently organized Citizens Realty & Insurance Co., Knoxville agency, has moved into offices at Lamar and North Central streets. Principals in the agency are Ben Crosland, Jack Lampkin and John Madson.

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Battle Creek, Michigan



## NEWS OF FIELD MEN

### Great American Has Coast Field Changes

Great American has made a number of field changes in the Pacific Coast department.

Donald N. Coty has been appointed special agent in the inland marine department with headquarters at San Francisco. He will travel northern California. He has been with Great American for a year as an underwriter in the Pacific department, and before that had experience in inland marine underwriting and in the field.

Richard J. Sears has been appointed special agent to succeed Charles R. Luke, who is being transferred. Mr. Sears, who will have headquarters at Oakland, joined Great American after graduating from Northwestern university in 1953. He has had training in the underwriting department.

William J. Lescher, Jr., special agent, has resigned to enter the local agency business, and L. E. Stegeman has been named to succeed him at San Jose. Mr. Stegeman has been in the peninsula field, and will continue to supervise part of that territory as well. He will be assisted by Mr. Luke, who has been at Oakland.

F. J. Tomlinson has been named by Great American as special agent in San Francisco. He has been in the business since 1929, mostly in New York. From 1948 to 1954 he was with American Foreign as manager at Santiago, Chile. He has been with Great American since October.

### Johnson With Turner as Ala. State Agent

A. H. Turner, manager, of Atlanta, which operates the southern department of several insurers, has named Everett P. Johnson of Montgomery to handle the state in conjunction with Frank H. Dobbins, who has represented A. H. Turner in the state for ten years.

Mr. Johnson, who has been state agent of New York Underwriters, and who is widely known for his work in the U&O field, is a past president of Alabama Fire Underwriters Assn. and is actively engaged in public relations work with Alabama Assn. of Insurance Agents.

### Musial Named Special

Gordon E. Musial has been appointed special agent in the Rockford service office of the American group to replace Special Agent Lawrence McNeany, who resigned. Mr. Musial has had several years service with American, beginning in one of the underwriting departments. He is a graduate of the home office advanced multiple line training school and recently has been an underwriter in the inland marine department.

### Maine Field Men Discuss PR

Pine Tree State (Me.) Field Club at its January meeting discussed public relations, with William M. Dox, Jr., Hartford Fire, committee chairman, reporting on activities, including speakers and films. There were 36 on hand, and among them was George J. McFarland, executive secretary of Maine Assn. of Insurance Agents.

### Adams Named in Indiana

Ohio Farmers has appointed Robert E. Adams as special agent in Indiana to assist Jesse Miller, state agent. Mr.

Adams is a graduate of DePaul university and for three years has been with Indiana Inspection Bureau. He graduated from the home office training course of Ohio Farmers.

### Great American Names

#### J. A. King in Indiana

John A. King has been appointed by Great American as special agent in Indiana. He has been with the company since 1950 after graduating from Northwestern university, and has had underwriting experience and for the last year has been in the Tennessee field. His new headquarters will be at Indianapolis associated with Robert Hughes, special agent.

### Vail Nat'l Union Special

Peter Vail has been appointed marine special agent for National Union Fire in southern California, with headquarters in Los Angeles. He succeeds Charles Muhling, who resigned Jan. 15. A. U. S. C. law school graduate, Mr.

Vail was with Phoenix of Hartford for four years and a like period with the Pearl group, being special agent for each.

### Rosser Joins London

#### Assurance in Ohio

Evan D. Rosser has been named special agent in Ohio by London Assurance. He will be associated with State Agent Edgar E. Hamilton at Columbus. Recently Mr. Rosser has been Ohio district agency supervisor of Western Mutual Fire at Columbus.

### Stromwall Named Special

John A. Stromwall has been transferred from the home office underwriting department of Anchor Casualty as special agent in Wisconsin to succeed F. Richard Welsh, who has resigned to operate the Ward Insurance agency at Durand, Wis., which he recently purchased. Mr. Stromwall has been with Anchor as an underwriter for a number of years.

### Names Ritter Special Agent

Geo. F. Brown & Sons, special risk underwriters and nation-wide manager of Interstate Fire & Casualty,

Chicago, has named John P. Ritter as Cook county special agent. Mr. Ritter has been with New Amsterdam since 1948, his most recent post there being supervisor of casualty underwriting of the Chicago office.

### To Discuss APL at Abilene

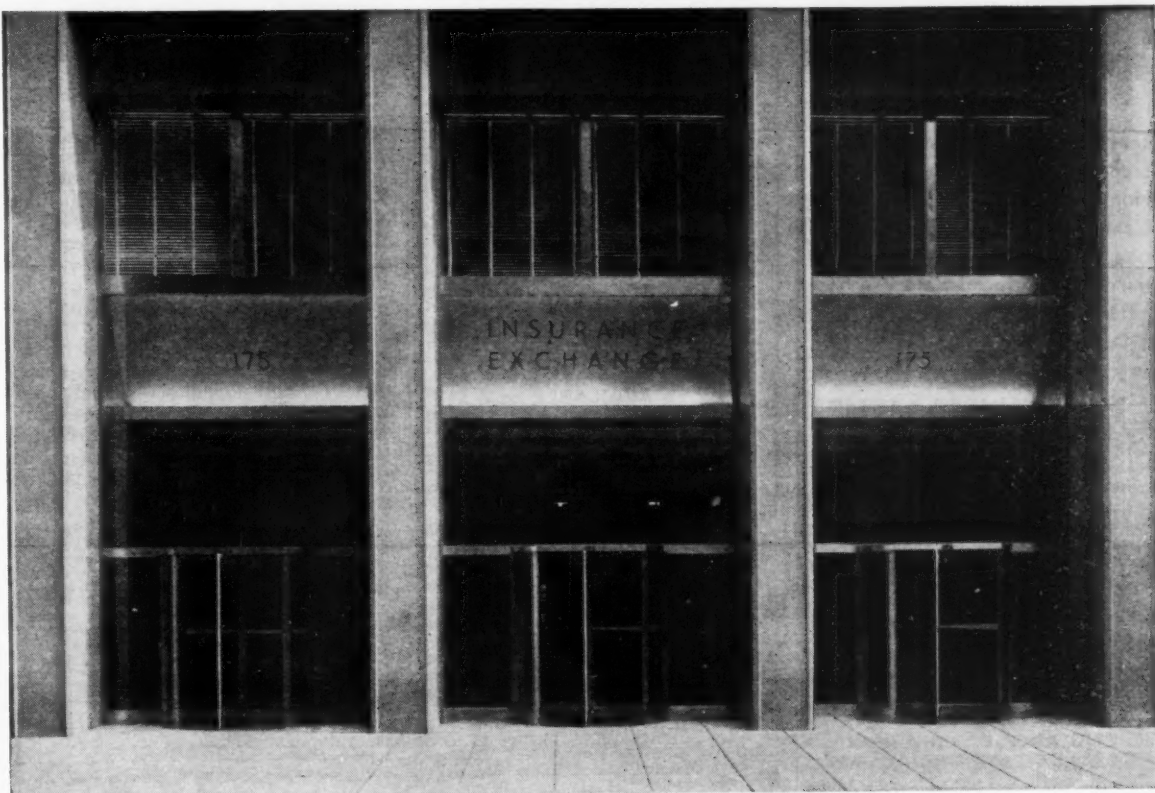
The west Texas division of Texas Insurance Field Men's Assn. has scheduled a meeting for Abilene Jan. 25 at which George Jordan, assistant general manager of General Adjustment Bureau, will head a panel to discuss the new physical loss form 148. Agents have been invited.

### To Hear Dithmer in Ohio

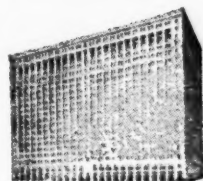
Ohio Fire Underwriters Assn. will meet Feb. 8 at Columbus. Walter Dithmer of WUA will be the speaker.

### Test Tort Conciliation

Pittsfield, Mass., will test mandatory conciliation of motor vehicle tort suits in an effort to relieve congestion in the court docket of Berkshire county. Under the plan, effective Feb. 1, all cases will be assigned to a conciliation list and will be sent to a referee within 60 days of filing unless the parties object.



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## OFFICE MANAGER WANTED

East central Wisconsin—rapidly growing fire and auto insurance company desires to employ young man to serve as "office manager". Responsibilities and commensurate authority will include purchasing, selection & training of clerical personnel, establishment of job standards & control, supervision of I.B.M. operations, completion of annual statement, development of budgetary controls. Good pay and future; many benefits. Ideal town and territory. Our employees know of this ad. Write in absolute confidence to Box C-92, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED TWO ABLE EXPERIENCED CASUALTY SPECIAL AGENTS

Under forty years of age with good record of achievement, able to completely satisfy present agents with top grade service and prospect for good qualified additional appointments; for one of the largest multiple line companies. Territories will be in Georgia and Florida and previous acquaintance and experience in either of these areas will be favorably considered. Opportunity for advancement excellent. Salary commensurate with experience and ability. Address C-83, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## "WANTED"

Well established Cincinnati Fire & Casualty Agency has opening for young man with some Office experience. All replies strictly confidential. Address: Box C-88, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## PAYROLL AUDITOR SAFETY ENGINEER FOR MICHIGAN

Midwestern multiple line Stock Company prefers young man under 30 seeking permanent connection. Experience not necessary. Will train. Excellent employee benefits. Send photo with reply giving full details and qualifications. Replies strictly confidential. Address C-86, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## WISCONSIN

Prominent multiple line group with an established agency plant is interested in securing a Fieldman with a Casualty background. Excellent opportunity for qualified man to become associated with a rapidly expanding organization. Salary commensurate with experience and ability. Liberal benefits. Inquiries treated in strict confidence. Write, giving experience, etc., Box C-73, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## WESTERN MISSOURI AND KANSAS

An excellent opportunity is presented by a prominent eastern non-bureau casualty and bonding company to a production man of proven ability who is well established in this territory. Good prospects for future. Salary open depending on ability and experience. Replies treated confidentially. Write Box C-71, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## AVAILABLE

Multiple line state agent with engineering, claims, underwriting background in fire, marine, casualty, surety, A & H, wants change. Good following Indiana, Ohio, Kentucky, Tennessee and south. Would like agency partnership or management opportunity. Write C-89, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## FIELDMAN AVAILABLE

Age 34, married. Over 8 years experience both Agency and direct in Illinois and Wisconsin. Desirous of Illinois or Wisconsin territory. Address C-84, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## BOND MAN AVAILABLE

Fidelity, Surety and Burglary Underwriter with production and Management background. 15 years experience. Will relocate anywhere. Address C-90, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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## AUTOMOBILE LIABILITY UNDERWRITER

Experienced in handling Cook County business wanted by large independent company. In reply give full details. Address C-87, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED — SPECIAL AGENT

Experienced in fire and inland marine lines by old line stock Fire Company. Must be familiar with agency system. Outstanding opportunity in Milwaukee and State of Wisconsin. Address C-93, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## Layton to Retire from Nat'l of Connecticut Post

(CONTINUED FROM PAGE 4)

formed Suburban Fire Insurance Exchange of New York, now an important factor in the business in that area. He served for several years as chairman of West Virginia supervisory committee, and it was under his supervision that West Virginia Uniformity Assn. was formed. He has also been chairman of the executive committee of Factory Insurance Assn. of Hartford and later became its president.

He was one of the original members of the committee of companies on the Black Tom disaster which occurred during the first world war, and for several years he has been its vice-chairman. This committee over the years has aided in the collection of indemnity from Germany aggregating several million dollars for interested fire and marine insurers. He is a director of all companies of the National of Hartford group, Phoenix Mutual Life, and National Board Building Corp., among others.

He has been long active in community and civic affairs in Hartford, in Connecticut and in New England. He was one of the original members of the New England council.

In 1910, when he became an officer, National Fire had assets of \$9,328,707, capital \$1 million, unearned premium reserve \$4,685,577 and policyholders surplus \$3,840,294. Today with its four subsidiaries, Mechanics & Traders, Franklin National, Transcontinental and United National Indemnity, National Fire shows in the last consolidated financial statement assets of \$134,372,289, capital \$5 million, premium reserve \$66,333,949 and policyholders surplus \$42,428,090.

During his administration as president and chairman the new home office of the companies was completed in 1941, United National Indemnity was formed in 1944, and in 1949 the group's companies were among the first to secure multiple line underwriting powers, thus placing the com-

panies in a position to handle both fire and casualty lines.

As a young man, Frank D. Layton laid the foundation of his successful career in the fire insurance business by working for the J. M. Layton agency which was founded by his father in South Norwalk, Conn. Later he was admitted as a partner in the agency. National Fire was in the agency at that time and it still is today. Operating under the name of J. M. Layton & Co., it is now largely owned by Lawrence K. Paul, whose father, James Paul, was a partner in the agency with Frank D. Layton.

Mr. Layton's early interest in fire insurance rating led to his working as a part-time rater on a per diem basis, applying the newly developed "hard luck" schedules on the unprofitable commercial and industrial risks for New England Fire Insurance Exchange, Middle Department Assn. and Underwriters Assn. of New York state, following which he became affiliated with National of Hartford group.

Col. Layton is held in high personal esteem by many in the business. He has a genuine affection for people and takes every appropriate occasion to express his esteem and liking. An illustration of this occurred when the late C. M. Cartwright, editor of THE NATIONAL UNDERWRITER, became blind, and was confined to his home. Col. Layton presented him with a fine old watch which sounded the hours and quarter hours when the stem was pressed.

## John H. Hunt & Co. Opens Branch at Waukegan, Ill.

John H. Hunt & Co., Chicago, investigators and adjusters, has opened a branch at 4 South Genesee street, Waukegan, Ill. K. W. Gilbertson and A. J. Huntington Jr. have been transferred from Chicago to the new office as manager and assistant, respectively.

In addition to the Waukegan area, the new branch will serve southern Wisconsin.

## Casualty Underwriters to Meet

Casualty Underwriters Assn. of Chicago is holding a luncheon meeting Jan. 27 at the Midland hotel. The speaker is Harry J. Ball, claim department manager of American Casualty, who will discuss the importance of the claim department to underwriting.

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## INDIANA

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## INLAND MARINE OPPORTUNITY

for underwriting and assisting producers is available in the Marine Department of a large Chicago agency. Previous experience required. Reply giving qualifications, which will be reviewed in confidence. Address C-75, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Man with fire and inland marine experience to service and develop present agency plant. Reply giving full particulars and starting salary desired to Box C-81, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED

Experienced Bond Underwriter by large surety and multiple line company to assist in servicing rapidly growing bond volume in Southeastern area with office in Atlanta, Georgia. Address C-85, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## SPECIAL AGENT Northern Ohio

Young Special Agent wanted for top flight multiple line stock company now in process of expanding. Casualty experience very desirable. Reply in complete confidence. Box C-94, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.



## C. L. Phillips Succeeds Davis As U. S. F. & G. President

(CONTINUED FROM PAGE 1)

increase capital to \$20,481,720, consisting of 2,048,172 shares of par value of \$10.

A lawyer, Mr. Phillips started with U.S.F.&G. in 1910 as claim superintendent at Chicago. After nine years he became general superintendent of claims in New York and when U.S.F.&G. bought Metropolitan Casualty in 1923 he was elected vice-president and general manager of the latter. He resigned his position after Metropolitan changed hands, becoming vice-president of U.S.F.&G.

In addition to being a member of the U.S.F.&G. board, Mr. Phillips is a

Frequently he is on hand for the meetings of National Assn. of Insurance Commissioners.

Mr. Wilde joined the company in 1928. He had been with North British previously, as an examiner in the Oklahoma field and as supervisor in the western department at the New York head office. He then went with State Assurance of Royal Exchange group as assistant manager of that company. When the management was assumed by Royal Exchange management, he was with Royal Exchange for a time and then went with C.&R. as secretary in charge of the western department. Subsequently he was in charge of the eastern department and then assumed supervision of agency underwriting countrywide.

## Lafrentz American Surety Chairman; McKell President

(CONTINUED FROM PAGE 1)

derwriting, agency and production and in the field. In 1932, he transferred to the office of the president, A. F. Lafrentz, and was elected secretary in 1937. In 1949 he was elected vice-president and in 1952 a trustee of American Surety. He is a director of Canadian and Mexican subsidiaries.

Mr. Russell joined the company in 1925 in the metropolitan office. After assignments in underwriting service and contract departments, he transferred to the court and miscellaneous department in 1928. He was appointed assistant manager of the department in 1932 and manager in 1934. In 1949 he was elected a vice-president. He is an attorney.

Mr. Maher began his career with the claim department of American Surety in 1914, became assistant manager of the fidelity claim department in 1919 and manager in 1929. He is a lawyer.

## G. L. Camp Retires at L. A.

Gilman L. Camp, Los Angeles assistant resident manager of the fire

and marine department of the Hartford group, retired after 34 years with the company. He began in insurance in 1909 in his father's agency in Billings, Mont., later becoming special agent for the North America companies, travel in Montana, Utah and southern Idaho. He went with Hartford in 1920 in Montana, transferring to Los Angeles in 1925 as special agent.

## Worcester Mutual Fire Building New Office

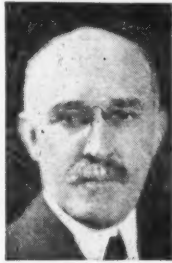
Worcester Mutual Fire is building a new \$750,000 home office building at 49 Elm street in Worcester, to be completed about March 15. The new two-story building will be about three times larger than the present offices at 29 Elm street.

## So. Cal. Casualty Adjusters Meet

Casualty Insurance Adjusters Assn. of Southern California heard Professor Ralph Turner of Michigan State college speak at its January meeting on "Evaluation of Chemical Tests for Intoxication." Robert Gill, Milton J. Jett, Dennis W. Galvin and John W. Feely of the newly organized auditors association of Los Angeles county's governmental department were elected to membership.



Joseph F. Matthai



E. Asbury Davis

director and president of Fidelity Ins. Co. of Canada, and a director of Fidelity & Guaranty Underwriters.

Mr. Matthai has been an executive vice-president of U.S.F.&G. since 1945. An engineering graduate of Cornell University, he joined the company in 1912 as an inspector of compensation, employers liability and public liability risks. He later became superintendent of the inspection and merit rating department. He was made superintendent of the automobile department in 1920, vice-president in 1925 and in 1935 was given general supervision of all casualty underwriting departments.

For many years Mr. Matthai has represented the company on committees of Assn. of Casualty & Surety Cos., National Bureau and National Board. He was president of Assn. of Casualty & Surety Cos. from 1950 until 1952. He is a director of Fidelity & Guaranty Underwriters and Fidelity of Canada, and he was a director of U. S. Chamber of Commerce from 1947 to 1949.

Directors passed a resolution praising Mr. Davis' achievements as president since 1932. He long has been regarded as one of Baltimore's outstanding elder statesmen. There have been few community projects in the last 50 years in which he has not taken a part.

Mr. Bland practiced law before joining U.S.F.&G. in 1916 as vice-president and secretary. He had been a director since 1906. In 1923 he was elected president and in 1932 chairman. That same year he was elected chairman of Fidelity & Guaranty, since merged into U.S.F.&G. He also is chairman of Fidelity of Canada.

## Barry Named President of C. & R.; Others Advanced

(CONTINUED FROM PAGE 1)

was elected a director and member of the executive and finance committee of New York Fire.

Mr. Barry, who now becomes chief executive officer of the Corroon & Reynolds group, has been identified with it for about 30 years. He joined the company as administrative vice-president and as a right hand man to R. A. Corroon. He is a colorful figure in the fire business and is often in the councils of the organization companies.

## Expect Tenn. Tax Increase Bill

A bill is expected to be introduced in the Tennessee legislature calling for an increase in the state insurance premium tax from 2% to 3%, estimated to amount to \$2 million additional annually. The state needs at least \$25 million additional revenue and there is some pressure behind the premium tax increase idea.

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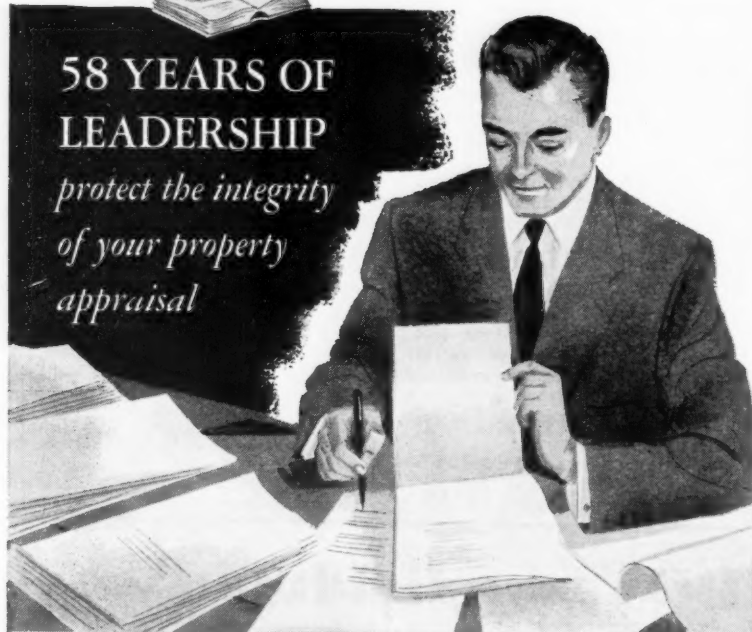
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## America Fore Shows New Home Office to the Business

(CONTINUED FROM PAGE 2)

at full pressure to run steam turbines which in turn drive the compressors.

The open floor principle has been adhered to in general office areas. Private offices have been kept to a minimum, and where used, they are enclosed by easily-changed glass bank partitions. Such treatment allows for more light in general office and work areas. The open floor also permits a freer and better arrangement of desks and office furniture.

Old wooden furniture has been replaced by modern, silent construction desks and chairs designed for fatigue reduction, correct posture and easier writing, reading and typing. Desks have glareproof linoleum tops which are washable. Acoustical tile ceilings absorb and keep distracting sound to a minimum.

The fluorescent direct-indirect lighting maintains a minimum of 40 foot-candlepower of light—more than four times as much as was formerly provided. The softer light eliminates glare. Such modern lighting technique, designed for high quality of light and eye comfort in addition to a high quantity of light, facilitates work and reduces errors that cost in both dollars and public relations.

The desire for simplicity and harmony has resulted in practical and refreshing interior design. The purpose of the color styling is to relieve monotony of large areas of space. Variations of five pastel colors—buff, green, blue, grey and yellow—were used. Window shades and structural columns away from walls are grey—neutral to harmonize with any of the other colors or combinations of them. Each floor has a slightly different color scheme to add variety, and each floor used at least three of the colors. These colors are restful, subdued and do not clash or detract.

One of the major new features of the building is the public address system. Built and owned by the company, this miniature radio station reaches every office.

The system has a tape recorder and player, an AM and FM and a three-speed record player, all of which can be placed and amplified to any or all parts of the building as desired. Special clock devices automatically turn the set on each workday morning, activate selected programming during the day and finally turn the set off each evening.

The public address system has microphone outlets in the executive offices, the game room, the building manager's office, the assembly room, and the control room. These can be used for spot announcements, addresses, disaster control programs, world series ball games and, if necessary, emergency instructions.

There are three employee cafeterias on the 14th floor, easily accessible to upper and lower floors of the building. Attractively decorated, they provide the most modern facilities for serving quality lunches of wide variety to employees. With a seating arrangement for approximately 480 persons, the entire personnel can lunch within 2.5 hour period. Two dining rooms serve complete hot luncheons. Another has a large soup, salad and sandwich shop.

Illustrative of the planning that went into the modernization is the transcribing department. For a five-week period the dictaphone operators for two of the five companies of the group trans-

scribed 26,820 letters. Then the department moved to its permanent location on a remodeled floor where they enjoyed a better seating arrangement and environment, better lighting, more comfortable furniture, air conditioning and music. In another five-week period, the same group of operators produced 29,311 letters—an increase of 9.3%. The supervisor noted that errors had been cut to practically nothing and there were not nearly as many absences reported.

## McCormack Opens Philadelphia Office

John J. McCormack, independent adjuster, has opened an office at 1418 Walnut street, Philadelphia, and will handle inland marine, fire and allied lines. Mr. McCormack is a graduate of the Wharton School and for 15 years has been in the adjusting field, with General Adjustment Bureau and with independent adjusters. For the past nine months he has been handling hail and wind damage claims in Michigan and Massachusetts. He is a CPCU.

## Palm Beach Board Elects

New officers of Palm Beach (Fla.) Insurance Board are James K. Siebrecht, president; Ray Sparks, vice-president; Jake Slaton, secretary; George Bowler, state director; and George Brooker, John Turrentine and Louis Hawkins, directors.

## Durham Agents Elect

John N. Chatham has been elected president of the Durham (N.C.) Fire Insurance Exchange, succeeding Southgate Jones Jr. Other new officers are George Eaves, vice-president and Thomas B. Cranford, secretary-treasurer.

## Local Agency to Build

Hurley, Wright & Powell, Knoxville, Tenn., local agency will begin construction of its new building at 1209 Euclid avenue, Feb. 1.

## A Service Guide A

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## Pier Joins General Re Subsidiary as V-P

Mortimer D. Pier has joined General Re as vice-president of Herbert



Mortimer D. Pier

Clough, Inc., an affiliate which acts as a reinsurance intermediary. He has been executive vice-president of the reinsurance division of U. S. & Foreign Management. Before that, Mr. Pier was executive vice-president of Excess Ins. Co.

He entered insurance in 1930 with Kemper group in California and later transferred to Chicago.

## Central Division of NAIA To Meet at Detroit, Feb. 3

The central division of National Assn. of Independent Insurance Adjusters will meet at Detroit Feb. 3. During the afternoon session, which will be open, C. F. Davidson, Detroit attorney, will discuss comprehensive personal liability insurance with emphasis on acts of minor children of the insured; D. T. Hawkins, assistant manager of Mutual Loss Research Bureau, will take up new dwelling and contents forms, and R. G. McCallum, association manager, will discuss competition and service.

Commissioner Navarre of Michigan will welcome the group.

Items of regional interest and recommendations for the executive committee will be discussed in the morning. F. J. Wittpiff of Port Huron is regional vice-president in charge of the meeting.

## Coffeen Opens Own Agency

Charles S. Coffeen has entered the local agency business on his own account in Amherst, N. H., following his resignation as assistant secretary of New Hampshire Fire. He started with New Hampshire in San Francisco, subsequently opening the Seattle service office and serving as state agent until 1952, when he was promoted to the home office in Manchester.

## Second Reinsurance Course Given in N.Y.

A second semester course in reinsurance is being offered this spring by the school of insurance of Insurance Society of New York. This is the first year a full two semester course has been offered in the subject.

Besides an analysis of fire, marine, and casualty reinsurance contracts, the list of topics to be considered includes underwriting practices, reciprocity, reinsurance markets, including international aspects, recent developments and trends of the business with emphasis on a practical approach.

The classes will meet Monday nights from 5:30 to 7:30 beginning Feb. 7. The last day of registration is Feb. 4.

The reinsurance committee in charge is Paul R. Willemsen of Sterling Offices, chairman; Philip B. Cadman of Royal-Liverpool; Emil A. Goerlich of Excess Management Corp; John W. Lamble of North Star Re, and Edward G. Trimble of Employers Re.

## Asks La. Study of Insurer Investments

Rep. Wall of Louisiana has asked for a legislative council study of whether Louisiana insurers should be required to invest some of their capital within the state. He pointed out that the plan is in practice in other states.

Such investment within the state might lead to substantial savings to the state and its subdivisions by lowering bond interest rates and brokerage fees, which have risen as high as 7% of the total amount of the loan, he said.

The council was asked to study other states to see what steps might be taken to carry out the plan in Louisiana. Recommendations would be presented at the May session of the legislature.

## Would Close Mail in States Where Insurer Unlicensed

(CONTINUED FROM PAGE 3) response, the speaker said, indicating little real enthusiasm.

Considering the federal trade commission citations against A&H insurers, Mr. Ford noted that these were based solely on false and misleading adver-

tising, something that "none of us could justify". He said he would have challenged FTC's authority, or the propriety, in questioning aspects of coverage involved.

While it is regrettable the FTC action reflected adversely on insurance as a whole in the minds of many, Mr. Ford said it is not unlike numerous trades or businesses where the sins of the few must be shared by those who are honest, scrupulous and rendering a public service. He said he seriously questions whether the recognized accomplishments of the business general-

ly will be diminished by any such unfavorable but brief adverse publicity.

For the most part, Mr. Ford said he believes regulations imposed by the state insurance departments are adequate in containing competition within reasonable bounds. He described the so-called standard provisions in the A&H field as ample evidence of the cooperation of insurance departments and the majority of companies. He said it is his hope that NAIC and the business itself can strengthen the laws and administrative regulations with regard to advertising.



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## Maloney Files to Dismiss Case Against National Automobile & Casualty

LOS ANGELES—Commissioner Maloney of California has filed an order with superior court of Los Angeles to dismiss the 10-year-old suit against National Automobile & Casualty and thereby cancel the order of suspension issued in 1946. After reciting that the company in 1945 was charged by the then Commissioner Maynard Garrison with settling WC claims for less than amounts due and compelling claimants to accept less than amounts due or resort to litigation, Maloney's order says in the main:

The superior court found the insurance commissioner had failed to comply with the mandatory procedural requirements of the administrative procedure act effective Sept. 15, 1945, and that failure "went to the jurisdiction of the proceedings" and that the deputy and the commissioner were without jurisdiction, and the court entered judgment ordering the commissioner to set aside the order of suspension.

The district court of appeal affirmed the judgment but modified it by adding: "The matter of the order to show cause is remanded to the commissioner for his consideration as to further proceedings, if any, in the light of the findings and judgments of the court."

The order goes on to say that exploration by counsel for the commissioner and counsel for the respondent subsequent to decision of the district court of appeals of reopening claims cases showed such a course to be impracticable because...long period of time and the difficulties locating claimants and witnesses; and subsequent examinations of the company do not disclose practices of the kind set forth in the findings of the presiding deputy; and in the light of circumstances presently obtaining it appears to the commissioner that the ends of justice will not be served by the continuance thereof, the order to show cause is dismissed.

The suit began when Mr. Garrison issued the order suspending the company's license for 30 days, with charges filed against the company with an order to show cause whether certificate should not be suspended. Hearings on the show cause order started June 11, 1945, and continued to November. The case was submitted in March of 1946 and resulted in the commissioner adopting the recommendation of the hearing officer that the certificate be suspended for 30 days, beginning June 14, 1946.

Following that order, National Auto filed a petition for a writ of mandamus, and superior court issued a writ to compel the commissioner to vacate the order. Garrison appealed and the company was upheld, although the court modified the superior court order to order that the matter be referred back to consideration of the commissioner with instructions that he show cause why in his original hearing he refused to follow provisions of the administrative code. Since the decision of the appellate court, the matter has come under the jurisdiction of Commissioner Downey and then Mr. Maloney.

## Resolute Jensen Stand Thwarts S.G.&F. Expansion

(CONTINUED FROM PAGE 25)  
tent North Dakota ought to reinsure socially.

In Montana Judge G. W. Pudbury Jr. was disqualified before the hearing scheduled for Jan. 6, and another judge will have to be called in from outside Lewis and Clark county jurisdiction. Previously the defendants had disqualified District Judge Victor H. Fall. Thus there is another delay in the hearing on the motion for

judgment on the pleadings, as filed by Holmes and Saskatchewan G. & F.

S. G. & F. has some kind of a trust fund setup with Fidelity Union Trust Co. of Newark and this is intended as an earnest for its intended surplus line and reinsurance transactions.

One of the principal reinsurers of S. G. & F. is the French insurance bank which is trying to get into the U. S. via Florida. That is a captive of the French government. It has pending a mandamus action to compel Commissioner Larson of Florida to let them in there.

Insurance people who are following with interest the activities of the Canadian insurer and the other government company, Caisse Centrale de Reassurance of Paris, are interested in the legislation introduced in Tennessee with administration backing which would bar from the state any company owned or controlled by a foreign government.

## Asks N.H. Impoundment, Notably Those With Cover of Compulsory Only

A legislative committee has recommended to the New Hampshire legislature that it adopt legislation providing for impoundment of out-of-state automobiles involved in accidents in that state. It is aimed particularly at Massachusetts cars on which owners carry only compulsory liability. That coverage applies only to Massachusetts. The auto owner must buy extra territorial protection. Most of them do, it is said, but some don't and some of these are involved in accidents out of state and are uninsured.

In Massachusetts, Commissioner Humphreys said that if New Hampshire takes such action, Massachusetts ought to do the same.

The committee also recommended establishment of a motor vehicle laws appeals commission at an annual estimated cost of \$40,000, which would be assessed against motor vehicle insurers.

The committee recommended an increase in minimum coverage from 5/10/1 to 10/20/5. It suggested that rates be based on the losses of all auto liability insurers. It argues that by including the figures of auto specialty companies that are selective, the rates might be somewhat lower.

The committee is flatly opposed to compulsory insurance. It recommended lowering the time an uninsured person is required to prove financial responsibility after an accident from life to three years.

## Hike in Authorized Capital of Firemen's Is Proposed

Stockholders of Firemen's of Newark at their annual meeting March 7 will consider a recommendation of directors that the company charter be amended to delete all provision for cumulative preferred stock and to increase authorized common stock from \$12,500,000 to \$22,500,000, consisting of three million shares of a par value of \$7.50 each. The two million common shares outstanding at the end of 1953 had a par value of \$5 each.

Last July the company redeemed all outstanding preferred stock, thereby fulfilling a 20-year obligation in less than seven years. At the end of 1953 there were 31,500 preferred shares outstanding, callable at \$100 each plus a premium of 1%.

## American Surety Promotes Korach

American Surety has promoted William J. Korach to assistant manager at Seattle. Mr. Korach has been with American Surety, first at Seattle and later as field man at Spokane, being returned to Seattle recently in anticipation of his present promotion.

## Late News Bulletins...

(CONTINUED FROM PAGE 1)

did not wish insurance did not receive a refund. The coverage was basically a floater covering principally fire, extended coverage and theft. The binocular insurance program is being discontinued nationally.

The bulletin states that no insurance will be issued on Bosch & Lomb binoculars after Feb. 19. A full year's coverage will be issued to any consumer who has purchased a binocular within the 30-day period and for which the registration is received in Rochester, N. Y., on or before Feb. 19. The insurance already in effect will continue for a full year from the date of registration.

All displays relating to the Bosch & Lomb binocular insurance program are to be destroyed and mention of the insurance deleted from future advertising. The company indicated the program has met with excellent response from dealers.

## William Flint Resigns Mich. Department Post

William H. Flint, second deputy commissioner of the Michigan department and director of the public relations division, has given his resignation to Commissioner Navarre. Mr. Flint has been in ill health following a severe heart attack last July.

A former field manager for Wolverine and the American States, Mr. Flint joined the department in 1949. He recently had received a merit award from the Michigan Assn. of Insurance Agents for distinguished service in behalf of the American Agency System over a 30-year period and for a complaint-handling system he had set up in the Michigan department.

Mr. Flint will take over active management of the family local agency in Perry which was started by his wife, Doris, in 1945.

## Report Ohio Department Drafting Bills on A&H

COLUMBUS, O.—It is understood that the Ohio department is drafting proposed laws to put into effect suggestions made by the governor relative to A&H. The governor had stated that present laws permit sharp and unethical treatment of innocent policyholders, those relating to false advertising are of doubtful value and that the right of companies to cancel policies should be looked into.

## Ind. Gets Insurance Bills

INDIANAPOLIS—Bills calling for small claims court and elimination of the \$15,000 limit on wrongful death claims have been introduced in the Indiana legislature.

Under one bill the court would hear claims up to \$250 on all kinds of insurance except life. A hearing judge would be established in the insurance commissioner's department. Persons having small claims would file a \$25 bond with the court, and if the court found in favor of claimant the \$25 would be refunded with the insurer paying court costs. A similar bill would establish such courts in conjunction with county circuit courts and would cover all claims up to \$250.

The \$15,000 wrongful death limitation would be deleted from the statute under one bill introduced, while another would specifically permit actions for personal injury to the deceased parties and also would remove the limitation of \$1,000 on medical, hospital and funeral expenses.

Another bill would guarantee a commission of not less than 5% of the premium to Indiana agents handling insurance contracts written by out of state companies.

## Zumbrook Joins W. A. Alexander

Ray K. Zumbrook has joined W. A. Alexander & Co. agency of Chicago as director of group sales. He has been with Marsh & McLennan for four years. He will work with brokers in selling and servicing all group lines, including life, pension, and hospitalization.

## Files Suit in R. I. on Hurricane Damage

A \$100,000 civil suit has been filed in U. S. district court at Providence by Point Judith Dehydrating Process Co., Galilee, R. I., against American Manufacturers Mutual, alleging the company failed to pay for windstorm damage to its fish plant in Hurricane Carol last summer.

The complaint charges that the insurer broke the five-year \$525,000 policy covering the plant. A jury trial has been requested.

## Asks \$100 Million for Health Reinsurance

President Eisenhower's budget for the country's fiscal year includes an item of \$100 million to finance the administration's proposed health reinsurance program. Special emphasis will be given to plans providing protection for low income families, protection for rural families, and protection against major medical expense, plus broadened benefits where coverage is inadequate according to the message sent to Congress.

## Chicago Fire Protection Engineers Name Shukes

Charles J. Shukes, chief engineer of Cook County Inspection Bureau, was elected president of the Chicago chapter of Society of Fire Protection Engineers. He succeeds T. J. Ocask of Rollins Burdick Hunter. Other officers elected are: Harry M. Hills, Commonwealth Edison, 1st vice-president; Clarence W. Price, Sr. Marsh & McLennan, 2nd vice-president, and A. H. Gent, chief engineer Illinois Inspection Bureau, secretary-treasurer. Richard C. Schipe, North America and E. N. Searl, Western Adjustment were named to the executive committee. The speaker was Charles L. Smith of National Fire Protection Assn., who discussed "What Causes Electrical Fires?"

## To Speed Settlement of Hurricane Cases

A bill which would give priority on court dockets to all cases filed by either party concerning liability of insurers arising out of Hurricane Hazel, has been introduced in the South Carolina legislature. The cases may be called up for trial out of regular order but the priority cases will be called in the order in which they were filed.

## Conn. Blue Cross Hike

Connecticut Blue Cross has increased rates by \$4, \$2, and \$1 for the three categories of the 300,000 members who make direct payments. Group members are not affected. For single subscribers the rate is up from \$6.50 to \$8.50 and for a member and spouse from \$13 to \$17. The increase for families is from \$16 to \$17.



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